

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

MONTHLY MEETING

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TRANSCRIPT OF PROCEEDINGS

MILTON MARKS CONFERENCE CENTER

AUDITORIUM

455 GOLDEN GATE AVENUE

SAN FRANCISCO, CALIFORNIA

THURSDAY, APRIL 12, 2012

10:00 a.m.

Pages 1-136

Reported by: Peppina Harlow, CSR 7433

1 A P P E A R A N C E S
23 BOARD MEMBERS:
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5 Mr. Dan Richard, Chairperson

6 Ms. Lynn Schenk, Vice-Chair

7 Mr. Tom Richards, Vice-Chair

8 Mr. Michael Rossi

9 Mr. Bob Balgenorth

10 Mr. Jim Hartnett

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13 STAFF:
14

Ms. Carey Moore, Board Secretary

15

16 ALSO PRESENT

17 Mr. Thomas Fellenz, Esq., Legal Counsel

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1 SAN FRANCISCO, CALIFORNIA

10:00 a.m.

2 P R O C E E D I N G S

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4 (Call to Order)

5 CHAIRMAN RICHARD: Thank you. Good morning,
6 ladies and gentlemen. The meeting of the California
7 High-Speed Rail Authority will come to order.

8 Will you please call the roll.

9 MS. MOORE: Vice-Chair Schenk.

10 VICE-CHAIR SCHENK: Here.

11 MS. MOORE: Vice-Chair Richards.

12 VICE-CHAIR RICHARDS: Here.

13 MS. MOORE: Mr. Umberg.

14 Mr. Hartnett.

15 MR. HARTNETT: Here.

16 MS. MOORE: Mr. Balgenorth.

17 MR. BALGENORTH: Here.

18 MS. MOORE: Mr. Rossi.

19 MR. ROSSI: Here.

20 MS. MOORE: Chairman Richard.

21 CHAIRMAN RICHARD: Here.

22 Ms. Moore, will you lead us in the Pledge of
23 Allegiance.

24 (The Pledge of Allegiance was recited)

25 CHAIRMAN RICHARD: Thank you.

1 Our first item will be public comment.

2 I understand a number of speakers have filled out
3 multiple cards. We do ask for all the public comment up
4 front, and, so, we're going to ask you to combine your
5 comments. We have an interlocking set of decisions today
6 on the M.O.U.s and the business plan, so I think all the
7 comments will be pertinent to that.

8 But, before we start, we will take all the public
9 comments in the order we receive them. But we always
10 start by recognizing dignitaries and elected officials
11 and the elected representatives of the people. And I
12 have to say that we're very pleased, as the Authority, to
13 be meeting here in San Francisco in this facility named
14 after a distinguished member of the California Senate for
15 many, many years, Milton Marks.

16 And it is our great honor this morning that the
17 Mayor of San Francisco, Mayor Ed Lee, is here to address
18 us.

19 Mr. Mayor, thank you so much for taking time from
20 your busy day, and thank you. We are honored by your
21 presence, sir.

22 MAYOR LEE: Thank you, Chairman Richard,
23 Members of the High-Speed Rail Authority. Good morning,
24 and welcome to San Francisco. Thank you for meeting
25 here.

1 You know the Northern California M.O.U. that you
2 have before you charts a course for electrification of
3 our whole CalTrain corridor between San Jose and San
4 Francisco and extending that corridor all the way to our
5 new TransBay terminal that we're building right now. And
6 I just want to give a nod to the MTC for putting this
7 M.O.U. together. They worked really hard on this, and I
8 believe it is a very very good answer.

9 Here in San Francisco we consider CalTrain to be
10 the transit spine that connects the cities of San Jose
11 and San Francisco, the Silicon Valley and through all of
12 our partner cities throughout the Peninsula. The
13 CalTrain electrification has had a broad regional support
14 for many years, and CalTrain, as a transit, is just
15 the -- I think the most important thing we can do for
16 generations to come.

17 Here in San Francisco I'm working really hard to
18 make sure that we continue to be the innovation capital
19 of the world. Cities all across this country and other
20 nations are looking at cities like ours for solutions to
21 every-day problems. Transit is our number one concern
22 because we are a growing economy, the whole Bay Area. We
23 can't increase roadways and airport runways any longer.
24 That is not going to be really part of our solutions for
25 our future. I think you've got not only a very good

1 solution, it is going to be affordable. It will be
2 faster, and it will be better. And, so, I just want to
3 welcome you here.

4 As I came here this morning, I ran into a lot of
5 great people from our labor community. I want to thank
6 them because I know they represent a lot of generations
7 of people that hope that our economy can be lifted with
8 this electrification of CalTrain and High-Speed Rail.
9 And so I'm excited to have you here. I welcome you here
10 to meet. And I hope, as I think many of you do, that I
11 hope to see in our lifetime the trains pull through all
12 the way from Los Angeles, through our Valley, through the
13 Silicon Valley, through our Peninsula all the way into
14 the TransBay Terminal, which I believe to be the Grand
15 Central Station of the West.

16 Thank you for being here.

17 CHAIRMAN RICHARD: Thank you, Mayor.

18 Mayor, I also want to recognize in addition to
19 your broad scale support of High Speed Rail, I
20 appreciated the way that you and your staff reached out
21 to our business plan that we're working on today fully
22 incorporates the service all the way to the TransBay
23 Terminal and does not push that to the back of the line.
24 I think we have tried to embrace that.

25 But you certainly have represented the people of

1 this community very well in expressing those views, and
2 we tried to listen to that so thank you again, sir.

3 MAYOR LEE: Thank you. And we will continue
4 being a collaborative city as well. I don't regard
5 myself as simply the Mayor of San Francisco, I want to be
6 a mayor that works. With Palo Alto's council, with San
7 Mateo's, with all of the cities that are also concerned
8 about the way we do this, and that we will exhibit our
9 collaboration with them all along with the High-Speed
10 Rail Authority.

11 Thank you very much.

12 CHAIRMAN RICHARD: Thank you, Mayor. Thank
13 you again.

14 Okay. Well, now we'll move through public
15 comment. I don't believe that I have cards from any
16 other elected officials --

17 Oh, I'm sorry. Supervisor Tissier. And then
18 Mark Cummings.

19 I'm sorry. So excuse me, of course. Supervisor,
20 I apologize for that.

21 SUPERVISOR TISSIER: Thank you Board members
22 and good morning.

23 This is an historic day for the High-Speed Rail
24 in the State of California providing a first long-term
25 step in the long plan and long-needed improvements to

1 modernize the rail in Bay Area Peninsula. As chair of
2 MTC, I am pleased that the commission can play a role of
3 mutual convener of our Bay Area Transportation partners.
4 The High-Speed Rail request to MTC to coordinate the
5 development of the Bay Area Memorandum of Understanding
6 with the High-Speed Rail for early investment of the Bay
7 Area's Prop 1A funds to include local rail service and
8 facilitate the future development of High-Speed Rail made
9 a significant step in pulling our communities together.

10 I certainly appreciate the High-Speed Rails, how
11 they've responded and embraced the proposal of the
12 blended system that the elected officials like
13 Congresswoman Anna Eshoo, Senator Joe Simitian and
14 Assemblyman Gordon put together a year ago as this
15 proposal that they'd put together will reduce
16 construction costs, but, more importantly, will minimize
17 impacts to communities on the Peninsula and in the
18 corridor.

19 This M.O.U. before you includes a significant
20 contribution of the region's federal, state, and local
21 funds and the cooperation of many, many, many agencies
22 including MTC, BART, VTA, CalTrain, SMCTA, San Francisco
23 CTA, City of San Jose, City of San Francisco, San Mateo
24 County, City and Association of Governments, and that's
25 just to name a few. So this shows you what a

1 collaborative effort this has been throughout our
2 Peninsula. The draft business plan has proposed a major
3 shift for deploying the system and that will coordinate
4 the development and operation of the high speed trains
5 with the existing passenger rail trains such as CalTrain
6 on our Peninsula.

7 This approval today will allow the Bay Area to
8 receive some relatively early benefits without having to
9 wait the ten or twenty years to see the reality of this
10 great system. The future of High-Speed Rail really rests
11 in your hands today, and I really appreciate the fact,
12 one, that you're here in San Francisco -- I am a native
13 San Francisco, even although I'm president of the San
14 Mateo County Board of Supervisors, but I'm always happy
15 to come up and visit my native San Francisco. The Mayor
16 was terrific. He brought a whole group of us together
17 early on, including those from San Jose, from San Mateo
18 County, from San Francisco, and around the region to make
19 sure that we worked closely together to get our arms
20 around High-Speed Rail, look at the blended system and
21 look at the TransBay Terminal and make sure that the
22 communities in and around our relative counties were
23 happy with what was happening, and I really believe that
24 you have a win-win situation here.

25 So I thank you today, and I hope you accomplish

1 your M.O.U. here today.

2 CHAIRMAN RICHARD: Thank you, supervisor.

3 Thank you in both of your roles, both with San Mateo
4 County and MTC. We appreciate all the work you do down
5 there.

6 I understand Supervisor Wiener is here from San
7 Francisco.

8 SUPERVISOR WIENER: Welcome to San
9 Francisco.

10 CHAIRMAN RICHARD: Thank you.

11 SUPERVISOR WIENER: I'm Scott Wiener, member
12 of San Francisco Board of Supervisors and also the Vice
13 Chair of our County Transportation Authority, and I am
14 one of the San Francisco representatives on the MTC.

15 And I just want to thank you for a business plan
16 and for acknowledging the need for a comprehensive system
17 in the Bay Area and statewide. I think we can all agree
18 that High-Speed Rail is key to the future of California's
19 economy and transportation system.

20 And, what we did here, starting a number of
21 months ago in the Bay Area, when it looked like the
22 system was a little wobbly statewide -- and I know we're
23 now shoring that up, and we're going to make that happen
24 -- we decided that we needed to work together regionally
25 to build consensus to make clear that in the Bay Area we

1 are going to do our part to make sure that High-Speed
2 Rail from Diridon to TransBay Terminal happens and that
3 we ultimately will connect with the entire statewide
4 system. And so we did convene the meeting, as Supervisor
5 Tessier referred, at San Francisco City Hall to make sure
6 that, with the three counties of Santa Clara, San Mateo
7 and San Francisco, that we had buy-in.

8 And I think one thing that we have found is that
9 we have broad support for that complete system. I know
10 that we in San Francisco are extremely supportive of
11 making sure that we go to Diridon in San Jose, and our
12 colleagues in San Jose I know are supportive of going to
13 the TransBay Terminal. And we are all supportive of the
14 spine of the system of electrifying CalTrain and making
15 sure that we have that we have that system through the
16 Peninsula.

17 This is truly a win-win for the entire region.
18 The M.O.U. that we negotiated and adopted at the MTC is a
19 very important step, and I thank you for considering it
20 today, and I look forward to working together to make
21 this entire system reality.

22 Thank you very much.

23 CHAIRMAN RICHARD: Supervisor, thank you
24 very much, we appreciate your support.

25 We have next from Fresno County Supervisor Henry

1 Perea.

2 And, Supervisor Perea, I want you to know that
3 last meeting we did declare you were here in spirit
4 maintaining your unbroken string of appearances before
5 this body, sir.

6 SUPERVISOR PEREA: Thank you, Mr. Chairman.
7 I appreciate that.

8 You know we were present about a week ago talking
9 about the business plan and the message of the governor
10 several months ago when he said better, faster, cheaper.
11 He gave clear clear direction, and we want to thank you
12 from the Central Valley as a Board for heeding that
13 direction and following through on a newly-revised
14 business plan that will certainly bring High-Speed Rail
15 much faster to this state. I mean just the acceleration
16 to a ten-year plan to connect Merced to Los Angeles is
17 amazing, and we're excited about that in the Central
18 Valley.

19 Very briefly, I know there's a lot of
20 decision-making to be made today, and we obviously
21 support the new business plan. But we also ask that as
22 you move forward in the next few months that you make the
23 critical decision of selecting the high speed maintenance
24 facility for this system very critical. We did pass out
25 a brochure that we had in our Transportation Authority

1 Meeting just yesterday which I and the Mayor sit on.
2 And, just to illustrate, on the tabbed page it shows the
3 commitment from Fresno to High-Speed Rail and the \$25
4 million investment that we are making in that facility
5 from our tax measure. So it's just to say obviously we
6 would like to it soon in our area we make another
7 positive concrete step that you make in this state to
8 tell people that High-Speed Rail is coming.

9 So thank you. And I do have a newsletter from
10 Fresno this Sunday regarding local hire did not make it
11 in time to make it your agenda today, so I'd just ask
12 that it be put on next month's agenda. Thank you very
13 much.

14 CHAIRMAN RICHARD: Thank you, Supervisor.
15 It's always good to see you. We appreciate it.

16 Next we have Council Member Kris Murray from City
17 of Anaheim. Council Member. Good morning.

18 COUNCIL MEMBER MURRAY: Good morning,
19 Chairman Richard and Members of the Authority Board and
20 everyone who is here today that has worked so hard on
21 this business plan.

22 I want to congratulate you on a business plan
23 that not only will deliver the first High-Speed Rail
24 project in our nation, but does so by reducing billions
25 of dollars off the cost and also including operations to

1 our core centers across the state as part of the initial
2 construction segment now, and is an absolute wonderful
3 step forward. And we're thrilled in Anaheim to support
4 the project and have enjoyed such a wonderful
5 collaborative working relationship with the Authority
6 throughout the planning stages of the project.

7 Anaheim and Orange County are home to more than
8 three million residents, to more than 20 million visitors
9 every year in our tourism sports and entertainment
10 systems and some of the most significant employment,
11 employment centers and universities in the state. We
12 want to continue to make sure this project becomes a
13 reality, and we're thrilled to be supportive. We would
14 ask simply as part of this business plan respectfully ask
15 that there be a development of one-seat ride into Anaheim
16 as part of your planning process to ensure that that
17 southern terminus as designated by voters is honored as a
18 business plan. And we have tremendous local commitment
19 in the development of our ARTIC station, our Anaheim
20 Regional Intermodal Transportation Center which will be
21 the center piece for the corridor rail improvements for
22 the next generation of Travelers and communicators and we
23 are going to break ground on that later this year and
24 that will serve as that southern terminus ultimately when
25 we do have full build out for the project, it will be one

1 of the original southern terminus for the project, and we
2 are excited to have the whole commitment for that project
3 and again this collaboration with you. And, as I've been
4 meeting with presidents across our city and with
5 businesses, I want to say thank you. You listened to us
6 and heard our concerns. The business plan that you're
7 proposing today not only shaves significant funding off
8 the costs, but it still ensures connectivity,
9 reliability, the service, designated service to our
10 residents and business travelers, and you know impacts to
11 our cities and our communities by taking this blended
12 approach, this shared use strategy that limits any
13 expansion footprint, so I couldn't be more appreciative,
14 wanted to share that with you. Your staff has been
15 tremendous and, as you work with our Orange County
16 transportation and cities in between just want to thank
17 you as a representative of Anaheim, and thank you for
18 your time today.

19 CHAIRMAN RICHARD: Thank you, Council
20 Member. And we have been in communication with other
21 civic leaders in Orange County as well as the Orange
22 County business council, and this matter will be
23 discussed as we review the business plan today, but I
24 appreciate you making a trip up here. I hope before too
25 long that can be done by High-Speed Rail from Anaheim.

1 COUNCIL MEMBER MURRAY: We've enjoyed
2 working with you on the project.

3 CHAIRMAN RICHARD: I have also Mayor Grotte
4 from City of San Mateo.

5 Did I pronounce that correctly? Good morning,
6 Mayor.

7 Mayor. Good morning, Mayor Grotte.

8 MAYOR GROTTE: Thank you very much for
9 hearing me.

10 My name is Brandt Grotte, I'm current mayor of
11 San Mateo, and I'm here mainly to talk about the M.O.U.
12 and MTC. The San Mateo City Council unanimously voted
13 that we appreciate the early investment in the CalTrain
14 corridor, and we support the electrification and the Mass
15 Transit Control and important improvements, not only for
16 CalTrain, but also for High-Speed Rail's future.

17 The city of San Mateo does ask that the
18 recommended projects be expanded to permit early
19 investment in the local grade separation within San Mateo
20 County and, particularly, that the 25th Avenue grade
21 separations and the rail realignment project be added to
22 the list of projects eligible for funding as part of
23 early investment. An important consideration we think
24 that you need to be aware of is that the San Mateo County
25 Transportation Authority can provide matching funds under

1 their grade separation funds within the half percent sale
2 sales tax measure. We think that that's a measure
3 supporting the issue on this. The inclusion of this
4 grade separation within San Mateo County for early
5 investment will generate the first opportunity also, we
6 believe, for private investment in the program. We have
7 traffic mitigation fees that are available from Bay
8 Meadows Land Company for the grade separations at 28th
9 and 31st, and so we think that's a ground breaker for you
10 and for all of us.

11 We also ask that High-Speed Rails work include
12 San Mateo grade separation funding within the M.O.U. and
13 request that the High-Speed Rail Authority identify
14 additional Proposition 1A funding that can be made
15 available to fund grade separations in our county as part
16 of this early investment strategy.

17 And I'll just close by saying that one of our
18 concerns is that for Bay Meadows, if we don't have the
19 grade separations, that will limit our ability to
20 actually build that out and that has environmental
21 impacts. It affects the density of the project, and,
22 overall, we think would be a negative.

23 So thank you very much for hearing me.

24 CHAIRMAN RICHARD: Mayor, thank you. And I
25 apologize for mispronouncing your last name.

1 MAYOR GROTTÉ: Not a problem. With that
2 name you don't get sensitive.

3 CHAIRMAN RICHARD: Well, between Tom
4 Richards and Dan Richard we try to be somewhat precise
5 about that.

6 But, thank you, Mayor.

7 Did we have another elected official this
8 morning? Okay. With that, we'll proceed through public
9 comment from the rest of the public.

10 Do we have a timer here?

11 MS. MOORE: Yes, we do. Mine.

12 CHAIRMAN RICHARD: I wasn't sure.

13 First is Stuart Flashman.

14 Two minutes because I think we have quite a
15 number of people, so everybody has a full opportunity to
16 be heard. So we know who you are, Mr. Jordon, you're
17 going to sit there and stare at us from the front row.

18 Good morning, Mr. Flashman.

19 MR. FLASHMAN: Stuart Flashman. I'm an
20 attorney, and I represent the plaintiffs in both of the
21 lawsuits *Town of Atherton versus California Rail*
22 *Authority*, 2008 case, and also the *Town of Atherton*
23 *versus California High-Speed Rail Authority*, 2010 case,
24 both of which the Authority has lost.

25 And I am here on two counts. One is something is

1 not on the agenda but is on next week's agenda which is
2 considering the approval of the certification of the
3 rerevised EIR and making another decision on Altamont
4 versus Pacheco, and, as in the other two times I've been
5 before you before a lawsuit, I have sent you a letter, I
6 will be sending you a letter in this case too that would
7 identify the problems that my clients have with that
8 re-revised EIR. I would urge you to take that letter
9 seriously the last few times I've come before you and
10 said you're not doing the right thing here, you went
11 ahead and did it anyhow and you got sued and you lost.
12 This time I think you should think about do you want to
13 do that again? The hallmark of insanity is doing the
14 same thing over and over and expecting different results.
15 However, the main thing I want to talk about today is the
16 business plan. And I want to start by saying that we
17 appreciate some of the things that the Authority has done
18 recently.

19 We appreciate the fact that Chair Richard has
20 acknowledged that the Authority has in the past made some
21 mistakes, and particularly the mistake of choosing the
22 Pacheco alignment on basically political grounds. We
23 think that the decision on which alignment to take needs
24 to be made based on the real how does the system work not
25 who supports it. Another issue that I think we want to

1 compliment the Authority on is the interaction of the
2 blended system approach. We think that it's very
3 encouraging, however, we are discouraged by the fact that
4 that analysis has not been included in the re-revised
5 EIR. And we would ask you to look at whether that system
6 satisfies the requirements of AB 3034 and of Proposition
7 1A. Because, if it doesn't, you can't be doing that, and
8 I would cite the cases *O'Farrell v. County of Sonoma*,
9 1922 case, 189 Cal. 343 which says if you promise the
10 voters something, you have to do what you promise.

11 Thank you.

12 CHAIRMAN RICHARD: Thank you.

13 Next up is Jo-Linda Thompson followed by -- I'm
14 very sorry. Alan -- looks like "Talansky". Close?
15 Okay.

16 Good morning.

17 MS. THOMPSON: Jo-Linda Thompson. Good
18 morning, I'm Jo-Linda Thompson, I'm executive director
19 for Association for California High-Speed Trains, and
20 we're here today to enthusiastically support the work of
21 your commission and staff and endorse the businesses plan
22 that's in front of you today.

23 I would like to share very quickly with you some
24 census numbers that underline the importance of your work
25 that came out about two weeks ago, and I have left copies

1 with Ms. Sue if you care to look at them.

2 The Census Bureau headline is counterintuitive.
3 It says California is the most urbanized state, and
4 California contains the four most densely-populated urban
5 areas in the United States. Number one, as you might
6 guess, has Anaheim, Long Beach, and Los Angeles, with
7 nearly 7,000 people per square mile. It's followed by
8 San Francisco-Oakland, 6,266 people per square mile; and
9 San Jose at 5,820 people per square mile. That stacks up
10 against New York-Newark with 5,519 people per square mile
11 so we don't think of ourselves as so urbanized, but we
12 clearly clearly are and the plan you have before you
13 today will assist all of these urbanized areas moving
14 people around.

15 We're expecting 20 million more people in
16 California in the next 40 years. I would submit that I-5
17 and 99 are not going to handle that, and so you can see
18 that your work is so important as making High-Speed Rail
19 a strategic investment for a very urbanized state.

20 Thank you so much.

21 CHAIRMAN RICHARD: Thank you very much.

22 Alan Talansky. Sir, I'm sorry, I mispronounced
23 your name, but you'll be followed by Mark Leach and David
24 Schwegel.

25 MR. TALANSKY: Chairman Richard,

1 Commissioners, I'm speaking as a citizen and as the
2 public policy chair of the San Mateo Area Chamber of
3 Commerce.

4 The concept of the blended system is brilliant.
5 It's a perfect compromise. The blended solution will
6 generate 700 million dollars of private investment, and
7 it will create thousands of jobs and millions of dollars
8 in tax revenues as well as the thousands of additional
9 riders for transit. The plan should also consider
10 leveraging the millions of dollars available from private
11 and public sources to build out the grading crosses in
12 the City of San Mateo.

13 I thank you for your time.

14 CHAIRMAN RICHARD: Thank you very much, sir.

15 Mark Leach, David Schwegel, and then Mark Kyle.

16 MR. LEACH: Good morning. Thank you, Chair,
17 Board members. My name Mark Leach. I'm with the San
18 Mateo County Building Trades County. I also represent
19 thousands of men and women in construction. We come in
20 support of the blended system, the revised business plan,
21 the M.O.U. with MTC and certainly early investment in
22 electrification and advanced train controls.

23 We also recognize the potential development and
24 approved construction projects for all waiting for
25 Peninsula rail port and improvements, several key grade

1 separations have the ability to act as economic
2 catalysts, particularly ones previously mentioned 28th,
3 31st Avenue in San Mateo are really good examples. We
4 believe we are on the verge of an economic recovery, and
5 we can -- we will be proud to be the workers working on
6 Metrolink rail and public transit in the Bay Area.

7 Thank you.

8 CHAIRMAN RICHARD: Thank you very much, sir.

9 Mr. Schwegel, followed by Mark Kyle, followed by
10 Ted Crocker.

11 MR. SCHWEGEL: Good morning. David Schwegel
12 of Californians for High-Speed Rail.

13 Mr. Chairman, you kept your word that the price
14 will come down. Thank you.

15 When HTSA publishes the statistics on annual
16 coalitions, they show California at 2715 as we sell this
17 concept to the state legislature. I would emphasize how
18 do we build a system for 20 million dollars back in 1980,
19 we would be down to say 900? Because meeting, reading,
20 working, better done on Board than behind the wheel. UIC
21 International Union of Railways and US Representative
22 Earl Bloom now remind us of the importance of selling
23 quality productive time with vehicles -- car driving --
24 coming in at zero percent, planes coming in at 35 percent
25 and High-Speed Rail coming in at a whopping 100 percent.

1 In other words, reading derailed while driving derails
2 many.

3 Third, Californians for High-Speed Rail is
4 streamlining the public support via a separation as a
5 bill. Signers welcome.

6 Finally, the US High-Speed Rail Association
7 reminds us that there are parties throughout the world
8 that have a vested interest in the debut system in the
9 world's largest untapped High-Speed Rail market. So I
10 encourage you to partner with our folks coming from all
11 over the world at the US High-Speed Rail Association
12 conference here in San Francisco starting on May 22nd.

13 Thank you.

14 CHAIRMAN RICHARD: Thank you very much, sir.

15 Mark Kyle and Ted Crocker and Don Sepulveda.

16 MR. KYLE: Good morning, Chair, Board
17 members. My name is Mark Kyle. I'm with Operating
18 Engineers Local 3. Russ Burns could not be here because
19 he's in Washington, D.C., but, on behalf of Local 3, I
20 would just like to say that we have 24,000 union
21 households here in Northern California. Many of those
22 folks are unemployed throughout Northern California here
23 in the Bay Area as well as central -- the Central Valley
24 where, as you know, construction employment is in close
25 to 30 percent.

1 The folks that are working here in the Bay Area
2 are working in places like TransBay Terminal which is
3 funded in part by High-Speed Rail money. So that's in
4 reality. We have members working, and I want to thank
5 that reality on behalf of our members.

6 I also want to address the revised business plan.
7 It's not just faster, better, and cheaper. I also want
8 to say that it's smarter and more responsive. And I have
9 to give a lot of credit to the members of the Board and
10 the staff of High-Speed Rail Authority for the work that
11 they've done in going out and talking to the interested
12 parties up and down the state and intelligently
13 addressing the concerns, most of those legitimate
14 concerns, up and down the state to make this a better
15 plan. It's a functional plan. We need to move forward.
16 We need to move forward immediately with it, and I urge
17 your adoption of the plan today and adopt the staff's
18 recommendation.

19 Thank you for the good work and please adopt it
20 today.

21 CHAIRMAN RICHARD: Thank you.

22 Mr. Crocker. Don Sepulveda, followed by Paul
23 Guerrero.

24 MR. CROCKER: Ted Crocker, I'm co-founder of
25 High Speed Boondoggle. We are still waiting for AG to

1 come out with their ruling, and I preface this statement
2 with that.

3 I want to point to the blended approach as a
4 prime example of false economy and therefore the reason
5 why the Authority should not approve the business plan
6 and why the legislatures should perpetuate the project as
7 it stands, the blended approach is not a money saver.
8 It's a generally-accepted notion that when you do
9 something half-assed to save money or because you have no
10 money, it always costs more in the end. Yet, here you
11 are jumping on the blended approach bandwagon not because
12 it will result in the best system for the taxpayers
13 because it spreads the money around in order to keep
14 support.

15 CalTrain and the High Speed Rail Authority still
16 cannot agree on the common sense sharing of the positive
17 train control and platform heights. Now the question of
18 the number of trains versus the down time and grade
19 separation is being discussed is being ignored. As long
20 as the High Speed Rail Authority and CalTrain are
21 attached at the hip for track elevated build-out out is
22 still a goal in the High Speed Authority's EIR. How many
23 times is the blended approach going to be torn out and
24 rebuilt and at what additional cost to the taxpayers and
25 court -- additional court for the contractors before the

1 ultimate goal is achieved?

2 CHAIRMAN RICHARD: Thank you, sir.

3 Don Sepulveda followed by Paul Guerrero followed
4 by Diana LaCome.

5 MR. SEPULVEDA: Thank you very much.

6 Don Sepulveda, executive officer, Regional Rail
7 Los Angeles County Metro Transportation Authority. Thank
8 you for allowing me to speak with you today. And, also,
9 we wanted to thank the efforts of the Board and the staff
10 in moving forward, for what you have done with the last
11 several months. I wrote down that I went to speak on the
12 Southern California M.O.U., but, frankly, I want to speak
13 on three different items at the same time because they
14 are all interrelated.

15 We are in support of the M.O.U.s that you have in
16 front of you, both the Northern and Southern California
17 M.O.U.s. We believe that this statute provides the local
18 investment to the bookends as-needed to make this a
19 project that the taxpayers get some value from, and I
20 think that's important as we move forward and look at
21 Proposition 1A.

22 We also are in support of this plan. We have
23 sent you a little earlier this week -- and I'm sure even
24 if you haven't, you will receive one shortly supporting
25 your business plan and supporting the efforts of the

1 business plan. We have been working very closely with
2 you and your staff in providing you comments and
3 resolving comments, and we believe that you have now got
4 a business plan that actually builds a strategic rail
5 approach to solving the transportation problems of
6 California, and, most importantly, providing a single
7 statewide rail system that is so important until we start
8 moving forward. This is especially true when we start
9 talking now very seriously about bridging the gap between
10 Northern and Southern California. It's very interesting
11 to start thinking about now what we can do in 10 years
12 with moving people throughout the state.

13 Thank you very much for all that you have done on
14 this. We believe that this is a very very positive move
15 forward. This is a -- we do have a project here that is
16 going to solve the transportation problems of California
17 and work to support the transportation -- or solve the
18 problems specifically at the bookends of Northern and
19 Southern California with these M.O.U.s.

20 Thank you very much.

21 CHAIRMAN RICHARD: Thank you.

22 Paul Guerrero.

23 Then Diana LaCome followed by David Cameron.

24 MR. GUERRERO: Good morning.

25 CHAIRMAN RICHARD: Good morning.

1 MR. GUERRERO: Paul Guerrero representing La
2 Raza Roundtable.

3 A while back, FR recommended two things, and we
4 would you don't have a CEO so we're two things we
5 conducted a disparity study and another is establish a
6 small business council. Neither of these has happened
7 yet, and we urge you to take the leadership to assist CO
8 get disparity studies. Let's use Californians, let's
9 keep the money here in the state.

10 And, counsel establish a meeting date, you know,
11 we can come and start bothering them instead of bothering
12 you.

13 I know that would get you. Thank you very much.

14 CHAIRMAN RICHARD: I hate to say this,
15 Mr. Guerrero, but somehow I don't quite believe you on
16 that one. We welcome your input. So.

17 MS. LaCOME: Good morning, Chairman Richard
18 and Board members.

19 My name is Diana LaCome; I'm the president and
20 CEO of the Associated Professional Contractors, also
21 known as APAC.

22 And, first of all, before I come to my
23 recommendation, I just wanted to state that we sure have
24 come a long way from two years ago. It seems that we're
25 finally moving in the right directions as is really being

1 displayed here today, and I really hand a lot of that to
2 Chairman Richard. Since you came on, a lot of positive
3 things are taking place, and we really appreciate that.

4 Today I only have one recommendation for the
5 Board, and it's regarding contracts. My recommendation
6 or APAC recommendation is that before you modify, extend
7 and sign any of the existing contracts, the Board should
8 request a breakdown of ethnicity and gender by all your
9 contractors, subcontractors, consultants, and
10 subconsultants and any other, you know, at whatever level
11 or whatever tier of contracts there are. I think that --
12 that the Board can make a statement towards, you know,
13 that equal opportunity by asking that of its own
14 contractors first and foremost.

15 Thank you very much.

16 CHAIRMAN RICHARD: Just to clarify, Ms.
17 LaCome, I'm not sure my colleagues are focused on what
18 you're talking about. Originally on the agenda for this
19 meeting was the extension of some of our engineering
20 support contracts. That's been moved to the next
21 meeting, and I am understanding your comments as being
22 related to those items; is that correct?

23 MS. LaCOME: Yes. It's related to those
24 items, but this way you have a little bit of leeway. I
25 know it's not that much time, but, if the Board can at

1 least request it, we can start moving in that
2 direction.

3 CHAIRMAN RICHARD: I just wanted to make
4 sure people understood that context. Your statements are
5 not inappropriate.

6 MS. LaCOME: No, I understand.

7 Thank you.

8 CHAIRMAN RICHARD: Thank you.

9 Dave Cameron, looks like Brian Moura, San Carlos
10 and Larry Patterson.

11 MR. CAMERON: Hi, I'm David Cameron; I'm
12 with Teamsters Rail Conference, and we represent 70,000
13 locomotive engineers on the rail lines. Very briefly,
14 we're just here to support the revised business plan and
15 blended approach, and we thank you very much and hope
16 you'll move forward with approval.

17 CHAIRMAN RICHARD: Thank you, sir.

18 Is it Mr. Moura?

19 I really apologize if I mispronounced that.

20 Followed by Larry Patterson, and then Dave Terheyden.

21 MR. MOURA: Thank you. You're pretty close.

22 It's Moura.

23 CHAIRMAN RICHARD: And it's your
24 handwriting, sir, not mine...

25 MR. MOURA: Appreciate it.

1 I'm assistant city manager in San Carlos, and I'm
2 appearing on behalf of San Carlos City Council. In
3 February this City Council took this item up as part of
4 their study session on High-Speed Rail and
5 electrification and enthusiastically endorsed the MTC
6 M.O.U., CalTrain, San Francisco, San Jose, and the
7 transportation partner agencies in the Bay Area have come
8 up with, and we agree to endorse that and urge your
9 support and staff recommendation.

10 San Carlos feels that this proposal is a great
11 way to get this project moving forward. It's an
12 opportunity to reduce noise, to reduce the carbon
13 footprint, to increase services and to electrify and
14 prepare the Peninsula segment for future High-Speed Rail
15 systems. So, for all of those reasons, we urge you to
16 move forward on High-Speed Rail.

17 CHAIRMAN RICHARD: Thank you. The public
18 comment was agendized for 10:00 a.m. We're still getting
19 some. I'm going to ask right now that anybody else who
20 wishes to speak immediately give their card to the Board
21 secretary there. Otherwise, we're going to ask that that
22 be closed.

23 Good morning, Mr. Patterson.

24 MR. PATTERSON: Good morning, sir, Richard,
25 members of the Board. I am Larry Patterson, Public Works

1 director for the City of San Mateo. I must say some of
2 the comments from our mayor today, we are strongly in
3 support of the electrification of CalTrain and the
4 advanced train controls that are included in that M.O.U.

5 We want to thank the Metropolitan Transportation
6 Commission for taking on the task of forging the
7 agreement between the state holders that will advance
8 these early investment projects. We think they did a
9 very good job. We think you have the ability to make it
10 a great job by adding in the funding for grade
11 separations within San Mateo County. Specifically, the
12 20th Avenue Grade separation and railroad alignment
13 project in San Mateo which is a project that has had a
14 about 10 years of community planning. It is unique in
15 that it has only one alignment option within the
16 alternatives analysis so there's no rail alignment
17 decision needs to be made on that project. And, prior to
18 the introduction of High-Speed Rail within the corridor,
19 this was at the project that was at the 65 percent design
20 stage. So it's a project very well understood, ready to
21 be advanced and with the single alignment option could be
22 advanced without major decisions in terms of either our
23 adjacent neighbors or in the city of San Mateo.

24 So we urge you to include additional Prop 1A
25 funds for grade separations within the early investment

1 strategy.

2 Thank you.

3 CHAIRMAN RICHARD: Thank you very much.

4 Dave Terheyden -- I hope I got that one
5 correct -- followed by Patrick Collins and David
6 Schonbrunn.

7 MR. TERHEYDEN: Thank you, Mr. Chair,
8 members of the Board.

9 I'm Dave Terheyden, business representative for
10 the Union of Operating Engineers. I represent the
11 membership of the Union who many are out of work right
12 now. Currently we are pleased to see that our members
13 are working on the TransBay Terminal, which is a -- which
14 incorporates the High-Speed Rail. We advocate jobs not
15 only to our members but in construction to bring people
16 back to work in the State of California. At least in
17 Northern California, which includes the Central Valley.
18 In short, we appreciate the effort in creating a plan
19 that works well with the issues of the past and the
20 intelligent minds that have listened to reasonable
21 concerns. That's always the important factor. I support
22 the approval of your revised business plan. Thank you.

23 CHAIRMAN RICHARD: Thank you.

24 Patrick Collins, David Schonbrunn, followed by
25 David Schonbrunn, followed by David Schonbrunn.

1 Mr. Schonbrunn we're going to -- one time.

2 MR. COLLINS: Good morning. I'm Patrick
3 Collins. I'm with the operating engineers. Can you hear
4 me okay?

5 We're -- we are operating engineers. We run the
6 heavy equipment that you see out there in the field and
7 on the roadways. We operate the bulldozers, the
8 backhoes, excavators, the cranes, and we work these
9 machines with exact precision, very good at what we do,
10 but currently there's a lot of us that are not working,
11 and we really want to be working, you know. This project
12 would mean a lot of jobs to a lot of our members. We
13 have scores of members sitting at home waiting for the
14 phone to ring, and we're just really anxious for that
15 phone to start working so people go to work. We live
16 here in a beautiful state in a beautiful area in one of
17 the most expensive areas of the world and we want to keep
18 living here. It's hard, you know, working, working
19 paycheck to paycheck, but we're happy to do it, but we
20 can't be working, not be working and not be getting that
21 paycheck working, you know, unemployment check to
22 unemployment check. That's not going to cut it for us.
23 We need to be working.

24 So we urge you to go forward with this project.
25 We endorse the business plan, and we endorse anything

1 that is going to bring us jobs. Get us out to work.

2 Thanks, folks.

3 CHAIRMAN RICHARD: Thank you, sir. David
4 Schonbrunn followed by Jim Bigelow followed by Emily
5 Rusch.

6 MR. SCHONBRUNN: Good morning, David
7 Schonbrunn, president of Transdef. We're one of the
8 litigants.

9 The business plan is based on the assertion that
10 private industry will not invest in High-Speed Rail until
11 a positive cash flow is demonstrated. I know for a fact
12 that this is untrue. I know that SNCF America made
13 presentations to the Board Chair and to at least three
14 other directors, including Director Umberg, in which we
15 offered to undertake the Phase I project without a
16 ridership guarantee. All they asked was that the project
17 be put out to bid. The public is entitled to an
18 explanation of why the Authority buried this offer. Why
19 it instead seeks to move forward with a phased
20 implementation plan in blatant disregard to Prop 1A's
21 requirement that the project be completed by 2020.

22 Transdef believes that the adoption of the MTC
23 memo to be premature for the following three reasons.
24 One, you are ordered by the Court to rescind your
25 problematic decisions pertaining to this corridor,

1 therefore, there is no legal foundation to agreeing to
2 electrify the CalTrain corridor at this time. Number
3 two, there is no agreement in place with the Union
4 Pacific Railroad to permit High-Speed Rail trains on the
5 corridor. This makes the Authority's participation in
6 electrification of that corridor questionable in terms of
7 value to High-Speed Rail. Also, Union Pacific has
8 insisted on a nonstandard height for the catenary wire,
9 and that has not been resolved either.

10 Third, CalTrain has insisted beyond all
11 reasonableness to proceed with the independent
12 development of positive train control using a different
13 vendor than is used by High-Speed Rail installations
14 around the world.

15 CHAIRMAN RICHARD: Can I ask you to finish
16 up?

17 MR. SCHONBRUNN: You should not use Prop 1A
18 funds to support this insistence on incompatibility.

19 Thank you, sir.

20 CHAIRMAN RICHARD: Thank you, sir.

21 MR. SCHONBRUNN: And, by the way, I should
22 say that I believe that it should have been possible to
23 provide at least a two-minute comment on each of these
24 agenda items.

25 CHAIRMAN RICHARD: Thank you, sir.

1 MR. SCHONBRUNN: Thank you. I think you're
2 shortchanging yourself and that has hurt you in the past.

3 CHAIRMAN RICHARD: Okay.

4 Mr. Bigelow. Good morning.

5 MR. BIGELOW: Good morning. Jim Bigelow,
6 and I'm speaking to you this morning on behalf of Silicon
7 Valley Leadership Group, The San Mateo County Economic
8 Development Association, Redwood City-San Mateo-Menlo
9 Park Chamber of Commerce, and we represent employers of
10 over 300,000 employees in this area. And this -- the
11 High-Speed Rail business plan, prior to its revision that
12 is currently being considered was -- did not have the
13 excitement that the current plan has. It is more far
14 reaching. It is more participatory in the Regents of the
15 state. It shows how you're going to connect up the
16 state, which is quite important, and get the project
17 moving.

18 In the case of the bookends and the blended
19 system, that is essential to the areas and has gained a
20 lot of support, and there are technical studies that have
21 gone on to show that this will work, and it's feasible,
22 and we had been here earlier and requested early
23 consideration of getting these areas up to acceptability
24 for High-Speed Rail operations, and so this is a very
25 welcomed step.

1 Also, it's really important that we have the
2 mobility and California meet our future transportation
3 needs, and there were over 100 -- and I think over 120
4 flights canceled at San Francisco Airport due to the
5 storm that we had a couple of days ago. If we had
6 High-Speed Rail, we would be having the short-haul
7 aircraft replaced by high speed trips on the ground, and
8 we wouldn't have to have a lot of these cancellations.
9 And that goes into a lot of these areas of our system
10 down south.

11 So we encourage you to act today and approve the
12 business plan as revised, and also the M.O.U.s, both for
13 the bookends, and I will say the Menlo Park Chambers does
14 support the M.O.U. here in the area.

15 Thank you.

16 CHAIRMAN RICHARD: Thank you. Emily Rusch,
17 followed by Jim Lazarus followed by Kathy Hamilton.

18 MS. RUSCH: My name is Emily Rusch, I'm the
19 state director of the California Public Interest Research
20 Group or CALPIRG. We're a statewide nonprofit
21 nonpartisan public interest group, and we have been
22 active supporters of High-Speed Rail for many years now,
23 including throughout the passage of Prop 1A and our
24 support has always rested on the premise that --
25 basically that -- first of all, that California will need

1 more transportation capacities than we have growing
2 needs. As you know, we are going to have 60 million
3 people living here by 2050, so we will have to invest in
4 transportation capacity. And that High-Speed Rail is not
5 only more -- less polluting, it can be more efficient,
6 more convenient for travelers than congested highways and
7 airports. It can therefore be cheaper for Californians
8 than it would be without it.

9 As I looked at the first business plan, I
10 actually spent time on the phone with some of your
11 consultants, kind of careful to say here's what the
12 alternative capacity would cost, but, then, even thinking
13 down, okay, with the amount of riders that would be
14 riding this train in 2040, would this actually be a cost
15 effective project for California? And I came away from
16 those conversations and those analyses feeling I'm fairly
17 confident that it would be. I'm even more confident now
18 with the revised business plan.

19 So I came today just to speak my support for the
20 revised business plan and urge you to pass it and make
21 one point of emphasis which I do think there's a lot of
22 talk in the revised business plan about making sure that
23 the plan does meet up with local transit connections, and
24 I want to continue to urge the Authority to make sure
25 that those local transit connections are happening

1 because I think that will -- having those local transit
2 connections will ensure the success of the project
3 overall.

4 CHAIRMAN RICHARD: Thank you, Ms. Rusch.

5 Jim Lazarus. Followed by Kathy Hamilton,
6 followed by Rita Wespi.

7 Good morning.

8 MR. LAZARUS: Good morning. Jim Lazarus,
9 San Francisco Chamber of Commerce, also representing the
10 Alliance for Jobs, a partnership of San Francisco
11 business, labor and civic organizations. As you know, we
12 have been a longtime supporter of this project along with
13 business organizations up and down the state of
14 California, many of which we've heard from this morning.

15 We believe the revised business plan goes in the
16 right direction because it deals with the realities of
17 funding that is available, it deals with the realities of
18 extending early service to upper Peninsula and through
19 the San Fernando Valley to Los Angeles, it deals with the
20 issues of giving value to the people of California as
21 soon as possible. We believe that this plan in
22 partnership with MTC and the Northern and Southern
23 California transit partners in the south will deliver
24 service that's reasonable and cost effective and service
25 that we can be proud to be supportive of.

1 The San Francisco Chamber of Commerce of course
2 has been in champion for the TransBay Transit Center, the
3 extension, with CalTrain to downtown San Francisco, and
4 we look forward to partnering with High-Speed Rail to see
5 that those projects get done on time, on budget and move
6 our transit systems forward to meet the growth of the
7 state.

8 What we forget through all these debates is that
9 we're not talking about the California of 2012 and 37
10 million people, we're talking about the California of 10,
11 15, and 20 years from now. And that's a California that
12 cannot be accommodated in our freeway systems or our
13 airports, and this transit system that you're developing
14 will meet those needs, and we urge you to approve all of
15 the staff recommendations on these subjects that are
16 before you this morning.

17 Thank you.

18 CHAIRMAN RICHARD: Thank you, Mr. Lazarus.

19 Kathy Hamilton, and then the Rita Wespi followed
20 by Martha Whetstone.

21 MS. HAMILTON: Hi, I'm Kathy Hamilton. I
22 have turned in a letter from Community Coalition on
23 High-Speed Rail objecting to the approval of the business
24 plan at this point. I wanted to tell you a tiny story
25 since I have two minutes that there was once a little

1 league team in Nevada, and they needed \$1200 for
2 equipment in order to move forward with their season. A
3 local brothel -- they are legal in Nevada -- came up with
4 the check. Well, they refused it even though they needed
5 the money really badly.

6 California High-Speed Rail project has
7 illegalities in their program execution, their business
8 plan, even the new one is incomplete and incorrect.
9 There were five independent agencies have reported gross
10 inadequacies and simultaneous federal investigations by
11 the General Accounting Office and the House Committee on
12 Oversight and Government Reform in Washington, D.C., the
13 question is do you want to back this team?

14 The people who get up and speak, if you listen,
15 are people who are asking for something. Sleeping with
16 the enemy has been stated many times by Sepi Richardson
17 in Brisbane. She's accused CalTrain of that,
18 electrification at any cost. So whether you want grade
19 separations, maintenance facilities, consulting jobs,
20 campaign contributions, taking the money from a
21 questionable source defines who you are. I support
22 improvements to local transit, but value the rule of law
23 more.

24 Thank you.

25 CHAIRMAN RICHARD: Thank you, Ms. Hamilton.

1 Rita Wespi followed by Martha Whetstone and then
2 Jerry Brozell.

3 MS. WESPI: Good morning. Rita Wespi from
4 CARRD, Californians Advocating Responsible Rail Design.
5 And I'm speaking today as to Action Item 2, your vote on
6 the business plan.

7 You've had less than 24 hours to look through
8 this supporting data prepared for the state by Parsons
9 Brinckerhoff. We've had less than 24 hours to look at
10 the data also. Without this data, it's impossible to
11 accurately evaluate the business plan. You do not have
12 the staff to adequately interpret Parsons Brinckerhoff's
13 reports and confirm the recommendations and certainly no
14 time to interpret the reports and supporting information
15 yourselves. It's difficult to have confidence in your
16 vote under these conditions. There is also the obvious
17 transparency problem of not making these materials
18 available to the public in a timely manner.

19 CARRD has repeatedly made this request to the
20 Authority and cc'd our state reps. It's troublesome that
21 we find ourselves continuously in this role asking a
22 minimal level of transparency which should need no
23 prodding. I've given you and distributed here initial
24 issues CARRD has identified from those supplemental
25 documents. For example, the blended travel times between

1 San Francisco and LA haven't been updated. What are the
2 ramifications for San Joaquin service and the alternative
3 modes of transportation is still in the air. The
4 board's rush to vote with incomplete data is disturbing
5 and irresponsible. I'm giving this message to you and
6 later to legislators.

7 Now, according to the Bagley-Keene please make
8 sure that the handout that I've given and anyone else's
9 today is available to the public. And, just speaking
10 through somebody who spoke earlier about Bagley-Keene, it
11 says that probably it's allowed to speak to each agenda
12 item and not all lumped together, so I hope in future
13 meetings you alter that. Thank you.

14 CHAIRMAN RICHARD: Thank you, Ms. Wesbi.
15 Martha Whetstone, followed by Jerry Brozell.

16 MS. WHETSONE: Hi, I'm Martha Whetstone of
17 SFO Airport. I'll be reading a letter from John Martin,
18 Airport Director.

19 "I am writing to express strong support for
20 California's High-Speed Rail project. This
21 critical regional approach to transportation
22 will link people and businesses across the state
23 and provide a much-needed alternative to air
24 travel within the state. Passenger traffic at
25 SFO is expected to grow to 50 million passengers

1 by 2025. Currently, the LA area is the
2 destination of 14 percent of flights from SFO
3 and 33 percent of flights from Oakland and San
4 Jose. High-Speed Rail will reduce the demand
5 for short haul commuter flights and allow SFO to
6 focus on accommodating international and long
7 haul domestic flights. A coordinated
8 transportation system that incorporates
9 improvements for CalTrain, HSR, BART, bus
10 transit and air travel is critical to the San
11 Francisco Bay area.

12 "I look forward to project developments along
13 the Peninsula corridor, and I will assist in any
14 way necessary to make the substantial statewide
15 transportation project a reality.

16 "Sincerely, John Martin, Airport Director."

17 CHAIRMAN RICHARD: Thank you very much, Ms.
18 Whetstone.

19 Jerry Brozell -- I hope I pronounce that
20 correctly.

21 That's you, sir?

22 MR. BROZWELL: I'm sorry, I forgot my
23 hearing aide, and I know the agenda says you should
24 notify the Board one week in advance if you need assisted
25 hearing device, but I didn't know a week ago I was going

1 to forget my hearing aide.

2 So I am speaking in reference to Item No. 7 and
3 Item No. 7 is a result of a lawsuit by Atherton, but I do
4 notice that the court did say that the analysis EIR that
5 the Board went through did consider a reasonable range of
6 alternatives, and I looked at some of the four objections
7 there that Atherton was concerned about, and two of the
8 four involved the Monterey Highway, and I'm thinking the
9 people in Atherton, they must have been losing sleep at
10 night worrying about what's going on near Gilroy, near
11 the Monterey Highway, but most of them don't even know
12 where the Monterey Highway is, so we do know that
13 Atherton just brought the lawsuit to try to stop
14 High-Speed Rail.

15 Now, I live in San Mateo 700 feet away from the
16 right of way. I'm in favor of High-Speed Rail, and I
17 know you're going to approve withdrawing this EIR. When
18 you go through the next EIR, please consider the four
19 tracks all the way through on the Peninsula, and, if you
20 don't, Atherton will probably end up bringing another
21 lawsuit if you don't follow through that way. So I'm
22 speaking in favor of the four track EIR along the entire
23 Peninsula.

24 Thank you.

25 CHAIRMAN RICHARD: Thank you very much, sir.

1 Shirley Johnson followed by Richard Hackmann, followed by
2 John Huang.

3 MR. JOHNSON: Good morning. My name is
4 Shirley Johnson, and I lead the Bikes on Board project
5 for the San Francisco bicycle coalition. Bicyclists are
6 enthusiastic about High-Speed Rail. We have been working
7 quietly behind the scenes gathering support. We wrote a
8 resolution for the accommodation of bicycles on Board
9 High-Speed Rail and over 30 organizations have signed
10 onto this resolution. You should have a copy in front of
11 you right now. Accommodating bicycles on Board will
12 reduce the need to build-out expensive parking space.
13 For example, today over 10 percent of CalTrain passengers
14 bring a bike on Board. Think of the cost savings over 10
15 percent fewer cost savings at High-Speed Rail stations.

16 Please include bicycles on Board in your
17 planning process. A bike on Board the train brings both
18 the first and the last mile. We look forward to
19 High-Speed Rail operating as soon as possible. Thank
20 you.

21 CHAIRMAN RICHARD: Thank you very much.

22 Mr. Hackmann, followed by John Huang. Followed
23 by Carter Collins.

24 Good morning, sir.

25 MR. HACKMANN: Thank you, Chair Richard.

1 Today I'm speaking on behalf of the City of Palo Alto.
2 One of our policymakers were able to make it.

3 I want to give a brief statement. The City of
4 Palo Alto would like to share comments on the current
5 CHSRA environmental review process. Specifically of
6 major concern to our city is the inadequacy of the
7 Authority's response to our Bay Area to Central Valley's
8 auto revised program EIR and comment letter.

9 Palo Alto believes that the blended system is a
10 significant step forward for this project, and we support
11 its inclusion in the revised business plan. We, however,
12 remain concerned that the final program EIR still
13 contains a four-track option for the Peninsula.

14 We also may concern that the Authority has not
15 abandoned the preparation of an EIR for a phased project
16 of larger dimensions over a 25 year time frame.

17 Palo Alto requests that the four-track option be
18 removed from the final program EIR to share our community
19 that a more compatible implementation of High Speed rail
20 will eventually occur and looks forward to working
21 exclusively on the blended system. Further, we have
22 three more examples of the inadequacy of the Authority's
23 EIR response to our comment letter. First, continuing to
24 recommend that the Pacheco Pass as their preferred access
25 point to the Bay Area, despite new and clarified

1 information which recognizes additional impacts from that
2 alignment, some of them significant, in the CalTrain
3 corridor Monterey Highway is of concern.

4 Second, despite new analysis, there is still
5 failure to adequately address the local traffic impacts
6 resulting from the loss of one or two lanes for 1.28
7 miles of Alma Street in Palo Alto, including increased
8 aspects on the Regional Transportation System and other
9 existing at greater intersections along the CalTrain
10 corridor in our community. Finally, continued adequacy
11 of using the FRA and FTA manuals for assessing
12 construction noise and vibration impacts over local
13 mitigation measures.

14 Just, in conclusion, Palo Alto reserves its legal
15 options should a four-track system remain in the business
16 plan and the EIR, but our preference is to establish a
17 working relationship with the Authority.

18 Thank you.

19 CHAIRMAN RICHARD: Thank you, Mr. Hackmann.

20 John Huang, followed by Carter Collins, followed
21 by -- okay.

22 MR. HUANG: Good morning, chairman, Board
23 members. Good morning, Bob.

24 My name is John Huang. I'm a business
25 representative for International Brotherhood of

1 Electrical Workers Local 6.

2 I wish that the High-Speed Rail was built
3 yesterday because I came back from LA and spent about six
4 hours door to door and \$300 on the air fare. You know,
5 this project will not only make the trip shorter, easier
6 for us to commute from Southern and Northern California
7 but also provide all kind of work for our members.

8 So, I'm here asking you to approve that our staff
9 provide a business plan and order the other M.O.U.s.

10 Thank you for your time.

11 CHAIRMAN RICHARD: Thank you, Mr. Huang.

12 Carter Collins, and then -- the name I have after
13 this from the build-outing instruction is Michael
14 Theriault.

15 MR. COLLINS: Good morning.

16 CHAIRMAN RICHARD: Good morning, Mr.
17 Collins.

18 MR. COLLINS: Chairman Richard and members
19 of the Board.

20 My name's Carter Collins. I have a community
21 called Eroads which stands for environmentally engineered
22 roadways, railways, large scale infrastructure. In other
23 words, I like the idea of putting our renewables on long
24 scale infrastructure.

25 I am here today with a colleague who is going to,

1 with your permission, read a letter that I sent to
2 Chairman Richard. It's -- it's an email, so it's fairly
3 short, but sets forth what we would like to do, how we
4 would like to cooperate or corroborate with High-Speed
5 Rail and, when she finishes, that I have one more thing
6 to say.

7 At this time now I'll step away.

8 Ms. Nyman. Ms. Martina Nyman.

9 MS. NYMAN: Thank you.

10 Dear Mr. Richard, I invite to you consider a
11 particular opportunity which meets potential that lies in
12 Northern California Central Valley your proposed
13 High-Speed Rail system. The High-Speed Rail corridor is
14 an excellent candidate for the application for solar
15 technology and could also serve as a comprehensive
16 rainwater collection system. It's 800 mile path runs
17 through counties where unemployment, energy costs and
18 water costs are particularly alarming. A preliminary
19 engineering study of this site confirms the feasibility
20 of the concept, proving that adequate solar electricity
21 could be harnessed to power the trains and moreover the
22 community.

23 My initiative is able to measurably increase
24 HSR's job projections as I also propose the integration
25 of a storm water catchment system along the same 30,000

1 square acre right of way. This adds another particular
2 resource a strategic water reserve to the list of
3 benefits for ranchers, farmers and townspeople in
4 securing their water and electricity future makes a
5 unique win-win as it grants HSR two considerable income
6 streams over the life of the rail system.

7 I thought I would write to you directly to see if
8 these concepts for energy and water capture hold
9 potential for your company's success in building the
10 High-Speed Rail.

11 MR. COLLINS: Finally, I'd like to say that
12 this new business plan that talks about the mixed use
13 represents an extraordinary opportunity to be married
14 with the idea of solarizing High-Speed Rail. Imagine if
15 all three companies, all three train entities, all three
16 rail entities, as they modernize, we'll be able to
17 stabilize rates for California because they would be
18 generating their own energy and they would have energy
19 sold back to grid, if they bought Authority on that --

20 CHAIRMAN RICHARD: Mr. Collins, I'm sorry,
21 I'm going to have to ask you to wrap up on that.

22 MR. COLLINS: If they brought bargain on
23 that, they would represent one of the largest power buys
24 in the state of California or in any state for renewables
25 if all the four of those collectively decided to upgrade

1 solarize their trains.

2 CHAIRMAN RICHARD: Thank you very much, sir.

3 Mike Theriault -- and I am making another apology
4 this morning for mispronouncing somebody's name --
5 followed by Elizabeth Alexis and Rich Hedges.

6 MR. THERIAULT: As with Mr. Grotte, no
7 apology is necessary, I've been through this plenty of
8 times, San Francisco Building and Construction Trades
9 Council and also member of the San Francisco Bicycle
10 Coalition. I would ask the trade folks, there's a lot of
11 us in the back of the bus, not all will speak but I'd
12 like them to be recognized.

13 Thank you.

14 Surely before I took my position as
15 secretary/treasurer of San Francisco Building Trades
16 there was a debate, in which I was not involved, very
17 bitter debate over expansion of San Francisco
18 International Airport. That expansion of course filling
19 the Bay, and, therefore, the debate was deservedly bitter
20 because no one should ever consider lightly filling the
21 San Francisco Bay. That expansion was considered
22 necessary because, as the Airport's entities have pointed
23 out to you, the airport's capacity is currently strained
24 and much of that strain -- as again was pointed out to
25 you -- comes from Northern and Southern California.

1 High-Speed Rail is the cure to that strain and a
2 necessary component for economic expansion for San
3 Francisco and the San Francisco Bay Area.

4 I would like to praise here a blended approach
5 that you're adopting in the current business plan. I, of
6 course, am most familiar with the northern end of that,
7 given electrification of CalTrain and a procedure that
8 will at the same time improve an existing program,
9 CalTrain, while providing infrastructure for a future
10 program, High-Speed Rail. It's just plain fiscally smart
11 and is indicative of the direction in which this is
12 heading. And the governor has asked -- and it's
13 something to which we're very appreciative. Of course,
14 we're interested in the jobs it will provide both in
15 short-term and in long-term, and, at the same time, we
16 think we are a benefit to the state in that regard,
17 because the state needs this system.

18 And the economic well-being of the state and the
19 environmental being of the city of this system. So there
20 was a mutual benefit. This is not just for us, this is
21 for all of us, and so we ask you to approve the blended
22 plan and the new business plan and allow this process to
23 go forward.

24 Thank you.

25 CHAIRMAN RICHARD: Thank you, Mr. Theriault.

1 I had Elizabeth Alexis, I don't see Ms. Alexis here.

2 Elizabeth Alexis?

3 Okay. Rich Hedges followed by Marshall Laring
4 followed by Michael McKenna.

5 Good morning, sir.

6 MR. HEDGES: Thank you, Chair Richard and
7 Commission members. I appreciate the chance to speak.

8 I spoke a little over a week ago at MTA. I'm one
9 of the naysayers along with majority of Californians who
10 are very high on High-Speed Rail. I'm especially here
11 today to support M.O.U. for CalTrain electrification and
12 joint agreement between the various parties. We support
13 electrification and advanced control system, and we think
14 it will go a long way to modernize the system. As you
15 know, one of the major visions to connect all the
16 airports because, as we just heard from Larry Martin and
17 most of us who know read Wall Street Journal and other
18 places, most airports don't want this because they
19 doesn't want the short hauls. And so do the residents in
20 California.

21 I ask that in addition to the M.O.U. that -- and
22 the part of the early investment that you support, give
23 San Mateo county a chance. And I heard comments about
24 private investment. To get the very first private
25 investment in High-Speed Rail, we have it through Wilson

1 Meany Sullivan, the same people who are doing Treasure
2 Island. They have money that will go toward the
3 underboards or the grade separation at 28th and 31st but
4 we need leverage to do that. When you do that, that
5 fills the requirements of SB 75 for priority development
6 areas. We have somewhere in the neighborhood right in
7 that area of 2000 units of housing, 15 percent below
8 market and a little over million square feet of office
9 space. We are in one of the largest growth areas for
10 employment, mapped out by MTC in the whole region. But
11 we need this leveraged money to make it happen. And this
12 is the perfect time for you to help us get it.

13 We supported you and supported since its concept.
14 I lived in it as a child and I live in one now. So let's
15 reduce future costs and do this now.

16 I also am high on this project as well as the Bay
17 Meadows project because it has a project labor agreement.
18 I am not a member of the building trades, but I support
19 project labor agreements because it brings the qualified
20 people to do the work. So let's do the right thing and
21 get this done.

22 Thank you.

23 CHAIRMAN RICHARD: Thank you, sir. Marshall
24 Laring followed by Michael McKenna followed by Walter
25 Strakosch.

1 MR. LARING: Good morning, Mr. Chairman,
2 Board members. As you heard, my name is Marshall Laring.
3 I'm a resident in San Mateo at this point in time. My
4 recollection is using transit in the Bay Area go back to
5 riding the ferry boats when my parents would be taking us
6 across the Bay in the '30s, continued in the '40s with
7 the key system, and we were living in Alameda at the
8 time. The buses had electrification across the bridge
9 was marvelous. I'm a retired electrical engineer who has
10 worked a number of years on fusion energy program with
11 the Japanese people. Spend a lot of time in Japan, used
12 Shinkansen quite frequently as a way of getting around in
13 Japan and saw what that meant to the people in Japan over
14 a period of about a decade watched the communities along
15 the right of way develop, to see the various improvements
16 not only in the physical and entity that's there, but
17 what that meant in terms of the lifestyle and benefit to
18 the citizens in that area. I would encourage you to do
19 everything we can to bring the benefits of a High-Speed
20 Rail to California now. Especially along the Peninsula
21 with this blended system. That's an excellent thing.
22 CalTrain should have been electrified long ago.

23 Now we've got an opportunity to do it and do it
24 right. But I just encourage you to move forward and get
25 this done now.

1 CHAIRMAN RICHARD: Thank you, sir.

2 Michael McKenna followed by Walter Strakosch
3 followed by Daniel Krause.

4 MR. MCKENNA: Good morning, chairman and
5 members of the Committee.

6 CHAIRMAN RICHARD: Good morning.

7 MR. MCKENNA: You know, I speak -- can I
8 speak on behalf of IDW Electrical Workers Local 6 here in
9 San Francisco, and I encourage you to move forward with
10 the business plan. I, like my counterpart, was in Los
11 Angeles yesterday, and it was quite a trip to go Tuesday
12 and take the afternoon to get down there at night, and
13 have a meeting yesterday morning and fly back last night.
14 And I'm sure some of you have to do this for this meeting
15 here and the convenience that would allow the state of
16 California, and the airports, as well as Los Angeles, all
17 of the airports in Southern California, and the Northern
18 California airports, to reduce some of that air traffic,
19 the parking, the taxi services, the getting between
20 airports, through security, all of that stuff, and
21 develop into an easy High-Speed Rail system to join both
22 the north and the south and much of us do business in
23 both parts of this state. This state is one state that
24 needs to be connected in that way. The blended system as
25 a fabulous addition to the business plan. The extensions

1 to the TransBay Terminal and the connections to transit
2 within the Los Angeles metropolitan area is -- is just a
3 perfect solution for this state, and we need to move
4 forward here and make this state the first example of
5 High-Speed Rail within the United States, that it will
6 work and move us in with the Europeans and the Asian
7 markets that have -- that have adopted these plans and --
8 and have this, you know, as -- as part of their community
9 and we need to do that now so I urge you, I implore you
10 to accept this business plan and move forward.

11 Thank you.

12 CHAIRMAN RICHARD: Thank you very much, sir.

13 Mr. Strakosch, I've mispronounced it.

14 MR. STRAKOSCH: You've done very well, as a
15 matter of fact. Unusually well.

16 CHAIRMAN RICHARD: Thank you.

17 MR. STRAKOSCH: My name is Walter Strakosch
18 and I'm a resident of California since 1954. My working
19 career was entirely in transportation, including eight
20 years with the Santa Fe Railroad and eleven years with
21 the Federal Transit Administration. I hope I have a good
22 insight into mobility issue in the state and I believe
23 that a High-Speed Rail system between Northern and
24 Southern California is a winner in many ways. To put
25 Fresno as a midpoint within one and a half hours of

1 either LA or San Francisco could dramatically mitigate
2 traffic not only on major highways between these but cut
3 the need for Airport expansion and SF and LA by eliminate
4 many intra-state short haul flights.

5 I have followed the HSR 1996 and I am not
6 surprised at the hole the present Board has to dig its
7 way out of. In the September 1996 HSR Commission report
8 to the legislature it recommended a system from San
9 Francisco down the Peninsula, throughout the Altamont
10 Pass to San Joaquin Valley connecting with a branch from
11 Sacramento, SJV to Bakersfield over the Grapevine to LA
12 and then via the coast to San Diego. After the special
13 interests went to work on it the routing was changed from
14 the AP to the Pacheco Pass via San Jose to the SJV down
15 to Bakersfield and to Los Angeles via Palmdale and from
16 Los Angeles via inland route to San Diego. The change
17 between Bakersfield and Los Angeles seems to make sense
18 as it taps into the very explosive growth in the Antelope
19 Valley. The decision to extend the line as quickly as
20 possible to Los Angeles via the AV also makes sense, but,
21 if the cost doesn't pencil out, extending it from Merced
22 to Sacramento may make better sense. It is a lot cheaper
23 build an operational segment and the rest will come
24 quickly. HSR is that good.

25 The change to the inland route between Los

1 Angeles and San Diego made no sense, besides the HSR
2 project can't afford it. There is an existing railroad
3 via the coast, and it isn't going away, and I believe the
4 concern of the communities along the coast could have
5 been mitigated by a rational approach. However, Los
6 Angeles to Anaheim did remain at a cost of \$5-6 billion,
7 but common sense prevailed and it's now out. Perhaps you
8 should figure out how to get Los Angeles/San Diego via
9 the coast back into the mix, satisfy Anaheim and,
10 thereby, enable people to get to Disneyland 220 minutes
11 sooner? Ha.

12 Less sense is the change of the routing from the
13 Altamont Pass to the Pacheco Pass, and that is still
14 there. Not only do you knock out Stockton and Modesto on
15 a direct route to San Francisco and lose passengers, but
16 you increase the cost of building the system, according
17 to today's per mile costs, by about \$3 billion dollars.

18 As I said, I believe this to be an excellent
19 project for California, but management of the project and
20 costs have to be kept under control. You have just lost
21 a man who appeared to be a capable CEO and hopefully can
22 be replaced with one of the same caliber. Additionally,
23 the Board has taken some positive steps toward cost
24 controls, but doesn't the AP routing and SD via the cost
25 also warrant further study?

1 CHAIRMAN RICHARD: Thank you, sir.

2 Daniel Krause, followed Kristin Kawaguchi
3 followed by Maureen Fukuda.

4 MR. KRAUSE: Good morning, Mr. Chairman and
5 members. Thank you very much. My name is Daniel Krause;
6 I'm executive director of Californians for High-Speed
7 Rail. I just wanted to start over by saying this
8 document is incredibly responsive, actually more than I
9 was expecting and more I am certainly used to. Many of
10 the concerns we have with the draft document were
11 addressed in many ways and a lot of other concerns of
12 other folks addressed, so I just want to comment on that
13 particular aspect of plan, and, more specifically, the
14 things that we're excited with in terms of what's now
15 reflected in this plan. I'm just going to want to list a
16 couple of things so people kind of understood under the
17 magnitude of training some people are complaining there
18 hasn't been substantial changes. That's not our
19 experience. Okay. The massive planning to initiate
20 Amtrak service is a real plan versus a back-up plan, you
21 know, as a last resort that's a big change. Creation of
22 an integrated three branch Northern California feeder
23 system into Merced station is -- is a very great idea
24 that took some vision, and I hadn't thought of all that
25 and a lot of other people hadn't thought of that, and

1 that new idea is very significant. Reduction in scope in
2 the urban areas saving billions of dollars of base line
3 capital costs, in addition the acceleration of the
4 project schedule is saving billions in capital escalation
5 costs. Then, most significant, the identification of
6 additional revenue stream in the form of path and trade
7 gives us the confidence that we can move forward for a
8 10-year construction period if federal funds don't come
9 quickly -- as quickly as we would like. So that is a
10 huge victory for the project in our opinion.

11 I'd like to conclude though with one
12 recommendation in terms of the Orange County Anaheim
13 piece. Our organization was for reducing the scope of
14 that piece. There was no time requirements per Prop 1A,
15 and we agreed that, you know, maybe blended approach
16 similar to the Peninsula was warranted for that
17 situation. We urge to you further study that and
18 possibly look at scaling back the six million dollar
19 project to a much more extensive project on that segment,
20 and kind of blended system. We understand there's
21 constraints with freight, but, if we could just study
22 that more, we'd like to bring Orange County friends into
23 the fold quicker.

24 Thank you.

25 CHAIRMAN RICHARD: Thank you, sir.

1 Ms. Kawaguchi. Did I pronounce that correctly?

2 MS. KAWAGUCHI: You did a great job.

3 Good morning, Chairman Richard and Authority.

4 My name is Kristen Kawaguchi, and I am here as a
5 supporter of representing the next generation of young
6 professionals that will be utilizing the system in the
7 future. You know we see articles online about High-Speed
8 Rail System and its struggles to gain support. I'm here
9 along with some friends today to tell you you do have
10 support, and it's in the teenagers, young professionals
11 and 30-somethings that will need this system in order to
12 prosper in the future. Smart transportation, increased
13 mobility, reduced travel time, reduced emissions and
14 increased productivity are all things that appeal to the
15 young professionals, and we're here to support you and to
16 help you make sure this gets done.

17 This new business plan for the system which
18 generates over 20,000 jobs per year eliminates 320
19 vehicle miles traveled over the next 40 years and three
20 million tons of carbon emissions annually is not
21 something that we're overlooking. We appreciate the work
22 that has been put into this new plan which offers a
23 better, faster, cheaper approach to the system. Now we
24 may not have as loud a voice as some of our seasoned
25 professionals, but we do represent the next generation of

1 entrepreneurs, engineers and politicians, and there is
2 strength in this group of voters. We are challenged to
3 make tomorrow better than today, which is why we're here.
4 We have come across a plethora of different types of
5 supporters for this project and have decided to organize
6 that support into a formal group. You'll see more of us
7 attending meetings, getting involved, and getting more
8 educated on the system. We are tomorrow's leaders and
9 support your efforts. This system will change our lives,
10 and we want to thank you for investing in our future.

11 Thank you.

12 CHAIRMAN RICHARD: Thank you very much.

13 Fernando Santillan, followed by Frank Oliveira
14 followed by Maureen Fukuda.

15 MR. SANTILLAN: Good morning, Chair,
16 Members. My name is Fernando Santillan, and I am a 26
17 year old resident of Central Valley. I'm here to express
18 my firm support for this initiative. I'm certain this
19 project will have enormous positive impact on our lives
20 and the future of our state. I spoke recently at a
21 Fresno county Board of supervisors' meeting concerning
22 High-Speed Rail, and I indicated that their support for
23 this project will represent significant investment in the
24 young voters of our state at a time when elected
25 officials everywhere have placed our needs at the bottom

1 of the list through cuts in higher education and other
2 services. I would echo that sentiment to our officials
3 that are here today. This project is an opportunity for
4 our leaders to pull through for the future of our state
5 and national economy and provide us a tool in this
6 community in an increasingly competitive global economy.

7 While previous generations have benefited from
8 the construction of highways, railroads and airports have
9 made this country great as a result. Our generation of
10 voters also demands modern and reliable transportation to
11 facilitate our prosperity and that of future generations.
12 The significance of linking the state's major cities
13 reliably and affordably cannot be underestimated. When
14 that happens the energy -- the energy, creativity and
15 innovation that California is known for will strengthen
16 exponentially and spread throughout our entire state. In
17 the Central Valley there is an effort to mobilize voters
18 educate them about the facts of High-Speed Rail including
19 economic, social and environmental impacts. Our goal is
20 to ensure that High-Speed Rail is completed, but
21 completed with an engagement and participation of the
22 demographic segment that will largely make up the initial
23 ridership because the reality is that we count on
24 leadership to make infrastructure projects happen, but,
25 at the end of day, this project is not meant for you or

1 other people in this room. This is our train. And we
2 have the utmost appreciation for the Authority's tireless
3 efforts to make sure this is done right.

4 Thank you having enough faith in us to invest in
5 our future. This is not lost on the younger generations,
6 and you have our support to make it happen.

7 Thank you.

8 CHAIRMAN RICHARD: Thank you, Mr. Santillan.
9 Next is Frank Oliveira followed by Maureen
10 Fukuda.

11 Mr. Oliveira, hope I didn't take you too far out
12 of your way to get to San Francisco.

13 MR. OLIVEIRA: Not a problem. Wherever you
14 folks meet you probably will see us.

15 CHAIRMAN RICHARD: Let me just say as a
16 personal matter we benefit from your participation. I
17 mean that sincerely.

18 MR. OLIVEIRA: Thank you. I have a
19 question, have my handouts made it to the table? Because
20 it's relevant to what I'm going to say.

21 CHAIRMAN RICHARD: Don't start the clock.

22 Do we have Mr. Oliveira's handouts?

23 MR. OLIVEIRA: They were turned in with my
24 card.

25 CHAIRMAN RICHARD: Good morning.

1 MS. FUKUDA: Ladies first. Nice to see you
2 and big city of San Francisco, the bookend, and speak the
3 talk, walk the walk. We're very simple, a traffic jam to
4 us is maybe three cars at an intersection, and it's
5 lovely.

6 But anyway, I'm here, my name is Maureen Fukuda,
7 and I am reading this statement on behalf of Aaron Fukuda
8 and 300, plus, innocently targeted landowners in this
9 county. The Authority has modified this project and its
10 business plans so we don't believe that they have a grasp
11 on what is being proposed. We urge the Authority to
12 postpone the vote on approving the revised business plan
13 to allow the public appropriate time to understand the
14 true ramification of the business plan. This business
15 plan reads more like a project proposal for a feasibility
16 study. The Authority, its staff and consultants have
17 simply shifted this project to put forth concepts that
18 have not been fully vetted, studied or analyzed for
19 feasibility both environmentally or economically.

20 Therefore, the Authority misses the mark on the
21 shovel ready status. The sudden and quick shift in
22 project direction have given hungry contractors and the
23 public ample notice of what is to be forthcoming. It is
24 clear that many of the consultants are driving this
25 process at this time. However, if you move forward, you

1 will be under the control and mercy of the contractors
2 who will feed upon poor planning and lack of clarity.

3 Do not approve this business plan. Allow
4 appropriate time for analysis. I am submitting written
5 statements for you to read and take into consideration
6 before voting on the revised business plan.

7 Thank you. I think what you were handing out is
8 what Aaron handed out.

9 CHAIRMAN RICHARD: Right. But I think what
10 she's saying, it's not what Mr. Oliveira handed out. You
11 understand that's different.

12 MR. OLIVEIRA: Mr. Rossi has
13 Mr. Oliveira's.

14 MR. ROSSI: Okay.

15 MR. OLIVEIRA: Thank you.

16 CHAIRMAN RICHARD: Then we're going to
17 share. Ms. Fukuda, thank you very much.

18 Mr. Oliveira.

19 MR. OLIVEIRA: Thank you.

20 CHAIRMAN RICHARD: Thank you.

21 MR. OLIVEIRA: I am Frank Oliveira, citizens
22 for California High-Speed Rail and Mobility.

23 Before you is a copy of what the voters were told
24 in November of 2008 would be the construction if Prop 1A
25 was passed. Today before you for your approval is the

1 third business plan. The business plan, as you know, is
2 required by law per the proposition. While the current
3 business plan is better, faster, cheaper, but -- like the
4 previous business plans -- it fails to comply with the
5 provisions of Prop 1A in regard to costs, function,
6 routing, trip timing, et cetera. Knowing that, that
7 said, approving the plan as drafted would be dishonest
8 and would be appropriately challenged because it would be
9 dishonest. Do the project right, comply with the law, or
10 don't do this project. Reconfigure a plan proposed to
11 the voters or legislature, a plan to build a legitimate
12 High-Speed Rail system instead of continuing to try to
13 fit Prop 1A into the plans that you have before you. The
14 two are incompatible. It's not the idea. You cannot
15 build Prop 1A. The criteria that's laid out before you
16 in the handout will always prevent you from constructing
17 it because the proposition was poorly written. So either
18 comply or don't do the project.

19 Thank you.

20 CHAIRMAN RICHARD: Thank you, Mr. Oliveira.

21 Mike Cunningham followed by Marian Lee followed
22 by Corey Marshall.

23 MR. CUNNINGHAM: Good morning, Chairman
24 Richard, Board members. I'm Michael Cunningham with Bay
25 Area Council representing major Bay Area employers. We

1 enthusiastically support your decision to pursue early
2 investment in CalTrain electrification. We authorized
3 support M.O.U. and we supported appropriation of funds to
4 make this project happen. San Francisco to San Jose
5 segment is critical for future High-Speed Rail
6 operations, but it's also critical to today's Bay Area
7 and today's California. This corridor is the shining
8 star of California's economy. The businesses that
9 operate in this area are not incidental to California's
10 budget and fiscal condition. Individual businesses in
11 and of themselves from Facebook -- Facebook item happens
12 it will make a quantum difference to the California
13 budget. It's easy to take these employers for granted,
14 but any region in this country, any state in this country
15 that had an economic engine such as the San Francisco-San
16 Jose-Peninsula would be falling all over itself to
17 provide its infrastructure in terms of support those
18 citizens who need jobs and adequate economic prospects.
19 What you are proposing, the early investment in CalTrain
20 electrification is exactly that approach. It's a smart
21 decision for the High-Speed Rail Authority, it will lower
22 your costs overall. It's a smart decision for Bay Area
23 and for the California economy.

24 Thank you.

25 CHAIRMAN RICHARD: Thank you,

1 Mr. Cunningham.

2 Marian Lee followed by Corey Marshall followed by
3 Michael Behen.

4 MS. LEE: Good morning, I'm Marian Lee. I'm
5 director of the CalTrain Modernization Program. Mike
6 Scanlon, who is executive director of CalTrain, really
7 wanted to be here but he had a conflict that he couldn't
8 undo. I'd like to first note what a significant month
9 this has been for CalTrain and the Peninsula. The M.O.U.
10 reflects regional consensus on building a blended system
11 in our corridor. And evolved partnership with the
12 High-Speed Rail Authority that is sensitive to local
13 interests and a realistic funding strategy for
14 incrementally building the blended system. We also
15 completed critical analysis that documents the viability
16 of running CalTrain and High-Speed Rail services on
17 shared tracks. And, with these accomplishments, we
18 really have reached a significant milestone.

19 Having said that, we know that the M.O.U. is just
20 the beginning of much important work to be done. We have
21 spent the last year talking to our 17 cities along our
22 corridor about the blended system. The majority of our
23 local stakeholders support the blended system, however,
24 they do continue to be concerned about how such a system
25 will impact the quality of their lives.

1 CalTrain is owner of the corridor an implementer
2 of the early investment program committed to addressing
3 these concerns. You will focus on conducting the needed
4 planning, stakeholder outreach and preparing a project
5 level environmental document in a way that makes sense to
6 our local partners.

7 Thank you very much for your consideration of the
8 M.O.U. today. We appreciate you listening to our
9 concerns and, frankly, accepting our local vision in
10 defining the statewide High-Speed Rail system. We look
11 forward to strengthening our partnership with you and
12 working with you on developing a strong statewide system.

13 CHAIRMAN RICHARD: Thank you, Ms. Lee and
14 Mr. Scanlon for your work with our staff. Please tell
15 Mr. Scanlon if he really loved us he would have been here
16 this morning...

17 Mr. Marshall followed by Mike Behen followed by
18 David Kennedy.

19 MR. MARSHALL: Good morning. My name is
20 Corey Marshall. I'm the government policy director from
21 the San Francisco Planning and Urban Research
22 Association. I'm here this morning -- I think it's still
23 morning anyways -- to express our support for the revised
24 business plan as well as for the Bay Area's investment
25 strategy in the M.O.U. that accompanies that.

1 In general for something that doesn't really
2 happen all that often in the Bay Area, and that's to be
3 we come to consensus how we're going to solve a problem.
4 I think this investment strategy that has been a long
5 time coming and should be supported, and so I urge your
6 support on that. This blended approach will obviously
7 have a number of benefits. Electrification of CalTrain
8 will make some important safety improvements and also
9 position that system for operational success and speeding
10 the development of High-Speed Rail on the Peninsula will
11 not only lower the costs but help to bring high speed
12 service to the core of the Bay Area. Your revised plan
13 also commits to a critical component of Proposition A and
14 that's all high speed rail connectivity into the heart of
15 San Francisco. This is an important step for this
16 segment of the system and commitment to the development
17 of the downtown extension will be critical to completing
18 the development of the multi mobile TransBay center as
19 the hub.

20 We urge your support for the revised business
21 plan, the early investment strategy and the M.O.U.

22 Thank you.

23 CHAIRMAN RICHARD: Thank you very much, sir.

24 Mr. Behen, followed by David Kennedy followed by
25 Matt Severson.

1 MR. BEHEN: Good morning, Mr. Chairman,
2 members of the Board. Mike Behen, City of Palm,
3 Department of Public Works.

4 First thing I want to say that I want to
5 acknowledge Chairman Richard. Your leadership means a
6 lot to the city of Palmdale and the Antelope Valley.
7 High-Speed Rail makes absolute sense for our region. I
8 think always with the other modes of transportation that
9 are planned for the future. We support the revised
10 business plan and early investment in the Southern
11 California region, and a particular mention of the gap
12 closure between Bakersfield and Palmdale. We appreciate
13 that being included in the report. We are excited and
14 eager to see High-Speed Rail in our region and are
15 looking forward to the next meeting where we will talk
16 about further study of Antelope Valley alignment through
17 the environmental review process.

18 We appreciate your time. Thank you.

19 CHAIRMAN RICHARD: Thank you, Mr. Behen.
20 We'll do our best to get you from Palmdale up here
21 faster.

22 MR. KENNEDY: Good morning, Mr. Chairman and
23 Members of the Board. My name is David Kennedy, and I'm
24 here from the city of Fresno today. I'm part of the next
25 generations of young voters. Just like my colleagues

1 Fernando Santillan and Kristen Kawaguchi, we are the next
2 generation of high-speed rail supporters and voters. And
3 this will be our turn. When it's functional we will ride
4 it to and from work and ride it vacation days and
5 holidays, whenever necessary. It was a great project and
6 we are very much in support of it.

7 This will be an investment for our future and for
8 me personally a big part of my future transportation.
9 Throughout my life I have actually lived overseas in
10 Germany, Belgium and England, and I remember when I was
11 living over there I always said to myself if these
12 countries can do something like this, why can't we?

13 So I applaud you for all your efforts. Thank
14 you.

15 CHAIRMAN RICHARD: Thank you very much.

16 Matt Severson followed by Ryan Heller.

17 MR. SEVERSON: Good morning, chairman,
18 Members of the Board. My name is Matt Severson, I'm 23
19 years old, and I'm a resident of Fresno County.

20 I'm here today to voice my support in favor of
21 the revised business plan, and I think it's incredibly
22 important that young voters are actual actively involved
23 in this decision-making process as well as the current
24 and future development of this system. This train is
25 going to shape my generation's future so I think that we

1 need to be a part of making it happen. I hope to act as
2 an advocate as a voice of my generation in support of
3 California High-Speed Rail, and I urge you to pass this
4 revised business plan.

5 Thank you.

6 CHAIRMAN RICHARD: Thank you very much.

7 Mr. Heller followed by looks like Michael Quigley
8 followed by Adina Levin.

9 Mr. Heller, good morning.

10 MR. HELLER: Good morning, Mr. Chair,
11 Members of Board. My name is Ryan Heller founder of I
12 will Ride. It's good to see you.

13 I'm here today to update you on the progress of
14 the I ride High-Speed Rail message on California College
15 Campuses. Our movement, having started out of UC Merced,
16 has grown to include students at California states
17 Bakersfield, Fresno, Stanislaus, UC Davis and Berkeley,
18 Fresno City College and even De Anza College, to name a
19 few. We've even launched an online video contest
20 encouraging students to tell us why they will ride
21 High-Speed Rail. Our message is spreading because of the
22 common sense need for transportation that is suitable for
23 California's future. With the exciting new changes to
24 the business plan, we have faith that this Board, along
25 with the governor, will work hard to see this project

1 through. As a group of future riders and not planners or
2 engineers, we simply say build it and we will ride it.

3 In closing, let me just say that underneath the
4 student excitement and can-do spirit, we're tired of
5 waiting. You have to ask yourself if you are thinking of
6 the next generation or getting in the way because all you
7 can see is today. Don't make us wait for the next
8 generation to do for ourselves what we must do for them.
9 Please approve the new business plan. Support High-Speed
10 Rail. We support you. Thank you.

11 CHAIRMAN RICHARD: Adina Levin followed by
12 Andy Chow.

13 MR. QUIGLEY: Hello, my name is Michael
14 Quigley, I'm manager of the Government Affairs with the
15 California Alliance for Jobs. We represent over 2000
16 union construction contractors and 80,000 union
17 construction workers across Northern and Central
18 California and you see so many people here from our
19 industry because in today's hard-hit economic situation
20 the construction industry is hit the worst. Construction
21 is the leading indicator of economic activity. We were
22 the first to fall off, but, hopefully, once this projects
23 is approved, we're going to be the first to come back.
24 Every dollar spent on construction activity turns over
25 seven times, and building High-Speed Rail is the quickest

1 way to start turning around our state's economy.

2 I want to also touch on the new business plan. I
3 think that it's very important that this business plan is
4 a major incremental step forward. The Authority has done
5 an excellent job of taking into consideration both from
6 the public, from concerned citizen groups, and from state
7 legislators that we needed to look at some of the
8 assumptions we had made and really reexamine those and
9 come up with what I believe is a much better plan. I
10 think that we've done a better job looking at the return
11 on investment on the construction activity in terms of
12 where we're investing our -- building our rail lines. I
13 think the new plan has done a good job, as well as in
14 terms of creating a more efficient and more functional
15 rail -- on the Peninsula corridor with a blended approach
16 I think is something that we'll look back upon as a
17 turning point in this project and really something that
18 we can move forward with and have a great value to this
19 great State of California. And I'd also urge you if you
20 get a chance to check out our video that we have just put
21 forward this week. It's entitled *California Wasn't Built
22 By Whims*. And it's really a -- it's a truly an
23 interesting and poignant examination of what this project
24 will mean for the future of the state.

25 Thank you.

1 CHAIRMAN RICHARD: Thank you. Did I get
2 your first name right, Adina Levin?

3 MS. LEVIN: Yes, Adina Levin.

4 CHAIRMAN RICHARD: Good morning.

5 MS. LEVIN: Good morning, Chairman Richard
6 and Board members. I live in Menlo Park and represent
7 Friends of CalTrain which is a group thousands of
8 individuals who live in the CalTrain corridor who banded
9 together in the last couple of years to help CalTrain get
10 through a severe financial crisis despite the fact that
11 it's experiencing record ridership and trains are nearing
12 capacity at rush hour. And we're dedicated towards
13 getting a CalTrain stable funding in the future so it
14 doesn't have a financial crisis in the future.

15 And we are here to very strongly support the
16 Northern California M.O.U. and the concept of the blended
17 system. Modernizing CalTrain earlier than previously
18 planned will provide faster, more frequent service with
19 more stops, providing much stronger transit system for
20 the economy and the environment and quality life in our
21 region.

22 So, thank you very much for incorporating that in
23 the plan as for -- as well as the Memorandum of
24 Understanding's aligning of support for future investment
25 in the downtown attention to San Francisco and grade

1 separations which will help the Peninsula corridor for
2 safety and traffic concerns and supporting High-Speed
3 Rail in the future the new business plan is a big
4 improvement. It delivers value earlier, it gets to
5 population centers earlier, and it has lower costs. And
6 this is a very big investment for the state, and a
7 complex plan.

8 So we urge you, the Board, our state legislatures
9 and the public to provide this plan with a thorough
10 review to be able to make this big decision. High-Speed
11 Rail has the potential to have strong economic and
12 environmental and lifestyle benefits for people in the
13 state, but we urge you to scrutinize the plan to make
14 sure that it actually delivers as promised.

15 Thank you.

16 CHAIRMAN RICHARD: Thank you, Ms. Levin.

17 Mr. Andy Chow followed by our last speaker,
18 Ignacio Castillo.

19 MR. CHOW: Board members, I'm Andy Chow for
20 the Bay Area Alliance. We have been a strong supporter
21 of the electrification of the downtown extensions for 30
22 years and also supported the approach between High-Speed
23 Rail and Regional Rail even before it is now called
24 blended approach. We are generally supportive of the
25 direction of the revised business plan. We -- one of the

1 things that we are particularly pleased with is this
2 blended approach and with CalTrain taking the lead and
3 with CalTrain actively seeking public participation
4 regarding the planning process for the blended approach.
5 And we also believe the blended approach meets the
6 requirements of Prop 1A, and we support the M.O.U. and
7 the early investment package.

8 We are put forward by the MTC, and we hope the
9 High Speed Authority will support it as well that
10 provides faster and more frequent CalTrain service sooner
11 and prepares the corridor for future downtown extension
12 and High-Speed Rail under the blended approach.

13 Thank you.

14 CHAIRMAN RICHARD: Thank you, Mr. Chow.

15 Mr. Castillo, you have the last word, sir.

16 MR. CASTILLO: Good morning, everyone, and I
17 guess I'm lucky to be the last one.

18 I just wanted -- my name is Ignacio Castillo, and
19 I'm the business manager of the Labor Local 389 in San
20 Mateo County affiliated with the Northern California
21 local laborers which we have over 20,000 members that are
22 also tired of waiting for this project to start. And at
23 the end Board members not just the laborers, members of
24 different crafts will be building this project which will
25 be a great project. As some of the comments here in the

1 audience, especially on the group of young individuals
2 here had mentioned, that this will be a great project.

3 I'm here in support of the revised business
4 plan, and I urge the Board to approve the new plan. And
5 Board members are waiting for -- for their job to start
6 and do the project. Thank you very much.

7 [Public comment closed at
8 11:50 a.m.].

9 CHAIRMAN RICHARD: Thank you very much, sir.

10 Okay. That closes the public comment period. I
11 do want to thank everybody in the public for their
12 comments this morning. I know it's a long morning, but
13 this is an important day, and we appreciate your
14 participation.

15 We'll now move through our agenda.

16 MR. HARTNETT: Mr. Richard, I know it's a
17 lot to do. Can we take a few minute break?

18 CHAIRMAN RICHARD: You don't have to
19 explain. In fact, we probably prefer that you not
20 explain. So we'll take a break.

21 [Recess, 11:51 a.m. to
22 12:03 a.m.]

23 CHAIRMAN RICHARD: We'll move through agenda
24 items. The first item is approval of the minutes, the
25 March minutes approved and seconded by Mr. Rossi.

1 Please call the roll.

2 MS. MOORE: Vice-Chair Schenk.

3 VICE-CHAIR SCHENK: Here.

4 MS. MOORE: Vice-Chair Richards.

5 VICE-CHAIR RICHARDS: Here.

6 MS. MOORE: Mr. Umberg.

7 Mr. Hartnett.

8 MR. HARTNETT: Here.

9 MS. MOORE: Mr. Balgenorth.

10 MR. BALGENORTH: Here.

11 MS. MOORE: Mr. Rossi.

12 MR. ROSSI: Here.

13 MS. MOORE: Chairman Richard.

14 CHAIRMAN RICHARD: Here.

15 All right. Next we have a review and approval of

16 the revised 2012 business plan, and it's my understanding

17 that --

18 Okay. Do we need to move away?

19 All right. I've been informed that this is a

20 Powerpoint for staff presentation on this, but some of

21 us, metaphorically, are in the way so. We'll move our

22 chairs.

23 MR. FELLENZ: Mr. Chairman Richard, Board

24 members, it's my pleasure to introduce this item which is

25 the request that you approve the revised 2012 business

1 plan. Then a lot of work and great progress that we've
2 made since the release of the draft. And I just want to
3 say that we're really pleased with the outcome, and I
4 think you will be too. We have listened to the public,
5 to the elected public officials at the local level, the
6 state legislature, the governor himself. We've made some
7 changes that are significant changes we believe, and the
8 new plan reflects a faster, better, cheaper program.

9 I also want to just state that the staff and the
10 consultants that have worked on this plan, there's been a
11 significant amount of long hours. I know that I am in
12 the office every day. People are staying late and
13 working extremely hard and conscientiously. I think it's
14 being reflected in this plan. And, as you've heard many
15 of the comments, there's a lot of people in support of
16 this now, so we have a Powerpoint presentation and a few
17 of our consultants will be presenting that Jeff Morales
18 of Parsons Brinckerhoff and Kurt Ramey from KPMG.

19 MR. MORALES: Thank you, Don and Mr. Chair,
20 good morning.

21 Yes, we're going to talk about the plan, how we
22 got to where we are today and what the contents of the
23 plan are. As Tom mentioned, there has been significant
24 input into this plan. It really needs to be stressed
25 that we received very substantial input from the public,

1 from stakeholders from elected firms, and that that input
2 really has shaped the revised plan. We took input both
3 critical and supportive and took it to heart and made
4 changes accordingly. The extensive input fell out in a
5 number of key things. Very clearly, people were
6 uncomfortable with the cost of the full build system.
7 There was very strong support -- it's been reinforced
8 here today -- for the blended approach implemented
9 High-Speed Rail in California and importance of investing
10 in the urban areas bookends as near term early
11 investments. Also, very strong view that one of the
12 highest rail priorities in the state, closing the gap in
13 the intercity rail between Bakersfield and Palmdale
14 should be the priority of this program. There was much
15 concern raised about the initial proposal about how the
16 investment in the Central Valley would project enough
17 benefits to warrant that initial investment. As we've
18 heard today, there remains some question about ridership.
19 We have continued to work through that issue.

20 There were some who believe there needed to be
21 greater reevaluation of private sector involvement and
22 when and how that might take place and continuing
23 questions about the reliance on federal funding going
24 forward.

25 In taking these concerns into -- into account, we

1 spent a lot of time with again many stakeholders with
2 public, with the legislative analyst, with the peer
3 review group when it's provided, and both of them have
4 provided significant input into the plan, and the plan
5 reflects their concerns and their comments.

6 One of the documents that's posted on the website
7 with the plan specifically weighs out the issues that
8 were raised by the peer review group and by the
9 legislative analyst's office and how the plan responds to
10 those and the significance of that is that each and every
11 major point that they raise is dealt with in the revised
12 plan.

13 It's important to note that the ridership and
14 revenue forecast have been updated based on input and
15 advice from an independent expert peer review panel from
16 the peer review group and from the external public
17 comments. And, one thing I would note, the report asks
18 one of things that has been done, the inputs have been
19 adjusted to rely on an external third party independent
20 data, one example would be fuel prices. Where the US and
21 energy information administration estimates are the price
22 of gas are taken to produce the high and the low
23 estimate, and that's how the plan is put together.
24 Capital costs O & M have been updated and financial
25 analysis has been streamlined and updated as well.

1 In the significance of all this input and all
2 this comments is that I can tell you that virtually every
3 aspect of the plan was reevaluated, revisited, and
4 strengthened based on the comments that have come in, and
5 it has produced a plan as many people have noted is
6 better, faster, and cheaper. And it's very important to
7 note that the most significant changes, the blended in
8 particular, were the direct result of external
9 recommendations to the Authority from external
10 stakeholders.

11 One of the most important aspects of the plan is
12 a real effort and an approach of integrating High-Speed
13 Rail into a statewide approach into developing in
14 California. Very strong sense of renewed sense of
15 cooperation and partnership with the regional and
16 commuter rails. And, again, that's been reinforced here
17 today. That achieves several things. Benefits happen
18 earlier and they are more widespread, and it's a much
19 more cost effective way to delivering benefits to the
20 people of California by leveraging additional systems
21 along with new investment.

22 One aspect of the plan is again providing benefit
23 in the bookends, in the existing rail systems, by working
24 with the CTC to help get approval of the release of the
25 productivity funding that was provided in Prop 1A. The

1 investment and bookends is very critical. And, again, we
2 heard a lot about that here today with the CalTrain
3 investment which will be facilitated with M.O.U.s which
4 have been negotiated with the Southern California
5 association of government agencies and with the MTC.
6 There is a third M.O.U. that is being developed with
7 agency in Central Valley related to improving service
8 there.

9 The summary of the key changes, busy slide. I'm
10 not going to go through it all, but the benefits of
11 committing to one. The key things there, reducing the
12 cost of delivering the system. So you're bringing the
13 benefits for less. Utilizing infrastructure as it's
14 developed in order to bring benefits sooner to more
15 people. Make decision to push beyond additional
16 construction to go south and build the initial operating
17 segment to connect Merced and the San Bernardino Valley
18 which has the benefit with connecting with the faster
19 growing part of the state, Central Valley, with the
20 largest part of the state, Los Angeles, and very strong
21 emphasis developed in cooperation with regional and
22 computer rails to make sure that the initial investment
23 is put to use and shows utility in the near term as well
24 as the laying the ground work for High-Speed Rail over
25 the long-term.

1 MR. RAMEY: Thanks, Jeff.

2 There were changes this time, all of the
3 financial information in the analysis that was performed.
4 There was really kind of two areas of financial
5 information. There's capital costs, which Jeff will
6 speak to in just a moment, and, what I'd like to talk
7 about for just a couple of minutes is financial
8 performance, how the project works. Revenues and net
9 cash flow have been reduced from the draft to the revised
10 approximately 28 percent. And that's really a function
11 mainly of the reduction from the full build down to the
12 blended structure. There are, as you know, segments of
13 the system, the Bay to Basin from San Bernardino Valley
14 to San Jose is the same plan for the most part that we
15 had in the original draft and the cash flows and revenues
16 and O & M, that drive cash flows are only off about seven
17 to eight percent, and that's a function of the revised
18 ridership that just spoke to earlier. By adding some
19 additional range to the high and low. It moved the
20 analysis of ridership and revenues down slightly, but the
21 majority of the impact is based on this change from a
22 full phase one to the blended structure. All of that
23 results in a relatively minor reduction to the amount of
24 private capital that's projected to be raised from the
25 Bay to Basin section. You might recall that the 11

1 billion that we've spoken of repeatedly is the private
2 capital that we believe can be raised from the
3 combination of the ILS south plus the B to B. Okay? And
4 that fundamental part of the system did not change very
5 much as a result of -- the private capital does not
6 change very much.

7 Second important aspect of operating performance
8 is that positive cash flow from operations continues to
9 be illustrated from the very first year. The high,
10 medium and low and all show positive cash flow and there
11 was break even below that.

12 This is a slide and a picture that's in the
13 business plan that illustrates the break-even point, and
14 it is well below the low estimate. Jeff spoke a minute
15 ago about the revised inputs that went into the
16 ridership, and let me point you to the 274 billion number
17 which is in the far left column with numbers, it's the
18 third one from the top. What that is the projected low
19 revenue number in the very first year of operations. And
20 you can see that the break even, the amount of cash that
21 would be needed for the system to break even at 218
22 million is lower than that by close to 50 million
23 dollars. Importantly, that low, the -- the projection
24 make-up of that low, the factors that go into that
25 include an average gas price of \$2.60. And that is in

1 2022. So that projections, 2022, \$2.60 gas would drive
2 that revenue of 274 million 218 is where we break even.
3 This thing just looks like it's got some -- some room in
4 operating performance to it. Let me just close on one --
5 one other comment. Jeff mentioned early in his slides
6 that one of the other things we were asked to do is to go
7 back and sort of reevaluate the timing of the private
8 capital. We did that again, we talked to people that
9 had -- we rereviewed the response from the RFI and then
10 reached out again to them, and it's very clear, there are
11 some significant risks until the IOS south is built. The
12 full construction, the actual ridership, the completion
13 risk are such that we unanimously heard that there is
14 great interest in this project, in investing capital in
15 this project once those risks have been resolved. And so
16 it -- we -- we do believe that it is -- could be
17 premature and -- and quite frankly unwise to count on
18 private sector capital coming in before that point.

19 We've had a lot of discussions today, heard much
20 in the public comments about the blended approach. I'd
21 like to just talk quickly about that.

22 One very important point to make is when the
23 draft plan was released in November the Authority did not
24 have at the time the data that allowed the Authority to
25 confirm that a blended approach would in fact deliver the

1 benefits and comply with Prop 1A. In the revised plan
2 that work has now been done and that plan is available.
3 The ridership and revenue figures have been generated,
4 the O & M costs have been developed to determine that in
5 fact the blended system can work and do so without a
6 subsidy, full financials have been developed and they are
7 presented in the plan as well as more detailed capital
8 costs. The blended plan is very much consistent with
9 the -- what is referred to earlier as the sub median
10 Gordon S. Yu proposal. And what it involves, just to be
11 clear, is full build-out, for example, dedicated high
12 speed infrastructure between San Jose-Los Angeles-Union
13 Station shared use of an electrified corridor here in the
14 Peninsula between San Jose and TransBay upgraded
15 Metrolink connecting what to Anaheim and, Mr. Chairman, I
16 believe there may be some further clarification with
17 Anaheim as we go forward so with the blended system you
18 would have a one seat ride to travel from San Francisco
19 to Los Angeles as required and called for in Prop 1A.

20 Some quick discussion about the number that's
21 been used in the public. About a 30 billion dollar
22 production and just to explain about how and what that
23 is. Going from the draft plan which called for a Phase I
24 implementation at 98 billion dollars, the reduction of
25 30, it reflects several key changes, change in scope,

1 you've been adopting the single build-out, biggest issue
2 adopting a blended approach as well as taking more real
3 estate, a system of the impact of inflation on the
4 program.

5 I want to talk just briefly about -- since this
6 is about people, what some of the benefits will be for
7 Travelers in the state is the result of just the first
8 phase of construction being the initial operating section
9 between Merced and San Bernardino Valley and essentially
10 what it will do is cut driving times, the times required
11 to go between two places, in half, roughly, San Fernando
12 to Bakersfield if you drove it would take just over two
13 hours on the IOS, an hour and you see times for other
14 systems there. So reduction of travel times by half
15 consistently with the initial operating section.

16 And, as we move toward adoption of the full
17 system, as we look at Los Angeles, San Francisco, which
18 was what Prop 1A really is about, today if you make the
19 trip between Downtown Los Angeles -- Downtown San
20 Francisco and Los Angeles by public transit it would take
21 you a little over nine hours. That's with multiple
22 connections, both regional, computer service, and the
23 Amtrak. You drive it today, and it's over six hours.
24 That assumes you hit no traffic anywhere along the way,
25 which is probably about as realistic as \$2.60 price of

1 gas going forward.

2 At the IOS stage, even though the high speed
3 infrastructure is only built at that stage down at the
4 Central Valley and into San Fernando Valley, you would
5 still see a reduction of about a third in the San
6 Francisco Los Angeles trip time as we get to the next
7 phase with the Bay to Basin system you're down under four
8 hours of travel time, and then ultimately with the
9 adoption of full blended system you're down to the two
10 hours and forty minutes TransBay transit center to Los
11 Angeles Union Station. That's a representation of how
12 people of California will benefit as this system is
13 developed.

14 And, with that, Tom?

15 MR. FELLENZ: So, Mr. Chairman and Board
16 Members, as the staff recommendation we adopt the revised
17 business plan. We do have some -- some minor changes
18 technical and an errata sheet that has been attached. We
19 ask that you adopt this 2000 revised business plan
20 subject to the changes on that errata sheet, and we're
21 here to answer any questions.

22 CHAIRMAN RICHARD: Thank you very much,
23 Mr. Fellenz, Mr. Morales and Mr. Ramey. I thought that
24 was a very informative presentation because there's been
25 a lot of commentary about moving away from the Prop 1A

1 requirements, forcing people to transfer not meeting the
2 time requirements of the statute. And I think what we
3 just saw from the staff presentation was that this
4 business plan leads to the creation of an electrified
5 High-Speed Rail system that is self-sustaining, that
6 could achieve 220 miles an hour, that can transit from LA
7 Union station to San Francisco TransBay Transit Center,
8 TransBay Terminal in two hours and forty minutes. So we
9 are adopting a plan that is consistent with the Prop 1A
10 requirements.

11 MR. FELLENZ: All that is true.

12 CHAIRMAN RICHARD: Okay. Thank you.

13 Before I turn to members' questions, I do to want
14 address the one issue which goes beyond the minor errata
15 sheet and that is the recent discussion that's been in
16 the press regarding the changes in the plan with respect
17 to connection to Anaheim. And, as we you understand it,
18 in the draft plan that we have before us, members, there
19 is a discussion that the terminus for a one seat ride
20 would be in Los Angeles Union station. And that -- that
21 the plan, as it is before us in draft, would require --
22 would require travelers to make a transfer to Metrolink
23 service to reach Anaheim, that Metrolink is a very fine
24 service and part of what we're doing here is work very
25 closely with Metrolink and the local transit systems in

1 southern California to work with them to enhance and
2 improve the service. However, in the last several days
3 as this issue has come to the forward we have received a
4 number of comments from business and civic leaders in
5 Orange County including Congresswoman Loretta Sanchez,
6 including State Senator Lou Correa, State Assemblymember
7 Jose Solorio, and I am in receipt of a letter Lucy Dunn
8 who is the executive director of the Orange County
9 Business Council. Now that is a group businesses in
10 Orange County that includes many household names like the
11 California Angels major baseball team, Walt Disney and so
12 forth. And they represent 250,000 employees in the
13 aggregate for the companies there and they have asked us,
14 the Civic and business leaders have asked us to look at a
15 consideration that this business plan would be adopted
16 not predicated on a transfer from LA Union station
17 Anaheim, but to continue to have Anaheim as part of the
18 plan for a one seat service when we reach the full Phase
19 I operations in 2029. It's my understanding based on
20 staff, the staff discussions, that there is in fact a way
21 to do this that comports with lower costs and so forth
22 and that -- that it may behoove us to at least express
23 our policy that we continue to have Anaheim included in
24 the system as a one seat ride. I don't know if you or
25 Mr. Morales wanted to speak to this briefly.

1 MR. MORALES: Yes. As you said in the
2 revised plan, the build-out of High-Speed Rail would
3 terminate at Los Angeles Union station. There is funding
4 in the blended for upgrades to the Metrolink system but
5 not for electrification. The Metrolink system is not
6 electrified currently, and they don't plan to do so, and
7 there's a possibly half million dollars for upgrades to
8 that corridor which would improve safety and reliability
9 and some time improvements as well that again would
10 require a change.

11 I believe what, Mr. Chairman, you're talking
12 about is going back and having a second look at whether
13 there is a lower cost alternative to a full build option
14 that would allow for one seat ride into Anaheim.

15 CHAIRMAN RICHARD: That's right. So
16 something comparable to what we have done in the
17 Peninsula up here with electrification and some -- some
18 improvements that would allow for one seat ride
19 service.

20 MR. MORALES: Right.

21 CHAIRMAN RICHARD: And this appears possible
22 to the staff?

23 MR. MORALES: Okay. There is -- there is a
24 group that's been established, the Southern California --
25 I want to make sure I got it right -- Passenger Rail

1 Planning Coalition which is a staff working group of all
2 of the relevant agencies in Southern California including
3 private freight operators, another issue we want to be
4 mindful of here that that corridor is privately owned.
5 What we would suggest to respond to this is that there be
6 some language included in the plan to restate the
7 Authority's support of the goal of a lower cost option to
8 provide one seat ride into and out of Anaheim and that
9 the planning group be tasked with evaluating options for
10 doing that and that if the group can agree upon -- and
11 the relevant agencies can agree upon an option, that that
12 would be then adopted going forward, as -- as the program
13 continues.

14 CHAIRMAN RICHARD: Did we have language now
15 or we just propose inserting that in the relevant page as
16 212 or 227.

17 MR. MORALES: I have -- we have some
18 language which I can either read or give you to read.

19 CHAIRMAN RICHARD: I think if we are going
20 to a stop it, it would make sense for you to read.

21 MR. MORALES: The Authority supports the
22 goal of implementing a cost effective means of providing
23 passengers a one seat ride to and from San Francisco
24 TransBay Transit Center to Los Angeles and Anaheim. The
25 Southern California Passenger Rail Planning Coalition

1 will develop and consider options for a lower cost and
2 less intrusive connection that would allow a one seat
3 ride to Anaheim and subject to the agreement of the
4 parties who will be responsible for implementing such a
5 connection. The Authority will work collaboratively with
6 regional and project parties to advance the selected
7 option.

8 CHAIRMAN RICHARD: Okay. And, counsel, we
9 can act on that today.

10 MR. FELLENZ: Yes, you can.

11 CHAIRMAN RICHARD: Okay. I'd like to turn
12 to our colleagues at this point for any comments or
13 questions that they would have of -- of -- of Mr. Fellenz
14 or the consultants.

15 Vice-Chair Richards.

16 VICE-CHAIR RICHARDS: Thank you, Mr. Chair.

17 I don't have questions, but I do have a comment
18 that I would like to impart to the public not only here
19 but for the People across the State of California who are
20 paying for this system. As I mentioned a couple of
21 times, and once today at least, concern about this period
22 acting accounting on such an important document without
23 having had a lot of time to review it. What I would like
24 to make sure that you are all made very aware is that,
25 one, that we -- we presented to the public on November

1 1st the draft as-is planned. Since that date, the
2 members of this Board have been very actively involved in
3 not only providing their comments to this plan today but
4 reviewing it as it has morphed since November 1st, and,
5 therefore, just to set your minds at east that there has
6 been extensive work done by the individual members of
7 this Board because I think that you would find behind the
8 scenes some incredibly active Board that you can be
9 comfortable that in fact there has been a tremendous
10 amount of vetting and we believe -- or at least I believe
11 this is truly the best plan that could be brought forward
12 for approval that really benefits the state of
13 California. And it's taxpayers.

14 MR. SCHONBRUNN: Point of order. You've
15 just admitted violating --

16 CHAIRMAN RICHARD: Excuse me,
17 Mr. Schonbrunn.

18 MR. SCHONBRUNN: -- the Bagley-Keene Act by
19 not making those documents public.

20 CHAIRMAN RICHARD: I'm sorry, sir, this is a
21 public meeting, and the public comment period is
22 closed.

23 MR. SCHONBRUNN: This is a point of order,
24 sir.

25 CHAIRMAN RICHARD: That is not recognized in

1 this forum in that way. Now, Mr. Schonbrunn, please.
2 I'm going to ask you to respect the fact that the Board
3 sat here for two hours and listened attentively to public
4 comments. It's our turn now to deliberate. Please sit
5 down, sir. Take your seat. Thank you very much.

6 Other members of Board?

7 Mr. Balgenorth?

8 MR. BALGENORTH: After that outburst, I
9 would just like to -- I'd like to say how I personally
10 feel about this. I spent a lot of time on High-Speed
11 Rail as all of you have. We have listened to a lot of
12 public input and because of that public input we have a
13 lot better plan than was originally proposed. I'm
14 extremely happy to -- to be a part of this process and to
15 be able vote for something today that's going to put us
16 in a -- in adopt a business plan that would move us into
17 a new -- into the new world. We're 30 years behind the
18 rest of the world. Japan has had this for 30 years;
19 Europe has had it for a long long time, Taiwan has it and
20 other countries are -- India is even considering doing it
21 now. So it's time for us now for us to move ahead in our
22 country. It's time for us to catch up with the rest of
23 the world. We used to be leaders. We used to be leaders
24 in transportation in California, and, somehow, we slipped
25 behind. But this is an opportunity for us to move

1 forward, to begin doing something that will not only move
2 people in the next century to get us off oil dependency,
3 to provide transportation that is critical to us but will
4 also put thousands of people to work which is direly
5 needed in California right now. You've got -- you've got
6 people who have lost everything they own. You know, I
7 think we've debated it long enough. I'm happy to be a
8 part of voting for this.

9 (Applause)

10 CHAIRMAN RICHARD: Thank you,
11 Mr. Balgenorth.

12 Other comments or questions? Vice Chair, Ms.
13 Schenk.

14 Thank you.

15 VICE-CHAIR SCHENK: Thank you,
16 Mr. Chairman.

17 Now, we sit here, and we listen to a lot of
18 criticism, slings some arrows we're called insane by
19 some. Now we're accused by that outburst of violating
20 the law by those in the audience.

21 Let me assure you that every one of us, every one
22 of us takes our oath of office very seriously. We are
23 guided by extraordinarily competent counsel on our staff
24 and the attorney general's office, and we do everything
25 not even close to the line. It takes an awful lot of

1 effort, an awful lot of work besides just sitting here.
2 You see the piles of paper, we all go through every
3 single piece of paper. So, to those of you in the public
4 who had any question about our commitment to this, I want
5 to give you assurance that it is not just sitting here,
6 but that we do the work and we do it within the confines
7 of the law.

8 For those of you who know me, you know I've been
9 doing this for a very long time, since 1981 when I first
10 brought the idea to California and when I was in Congress
11 and wrote the original bill, and I was very very very
12 happy to see the young people here today. And, as I said
13 to one of them, where have you been? Because this is no
14 longer for those of us sitting up here. This is for
15 them. And they know that, they understand that. They
16 understand that their world is going to be vastly
17 different than those of us who are over a certain age.
18 We inherited wonderful opportunities from our parents and
19 grandparents who invested, knowing that they personally
20 will never never be able to utilize what they invested
21 in, and it's our turn to invest for the future and
22 hopefully some of us will be around to utilize it.

23 Now, I've been on this -- this Board for a long
24 time, and I want to really say thank you and with great
25 sincerity to chairman Dan Richard, we even had our ups

1 and downs with High-Speed Rail, a lot of downs over the
2 years, and -- through his leadership, and that have the
3 staff and the consultants -- we're finally getting
4 pointed in the right direction. I wasn't going to say
5 getting on the right track. I've said it too many times.
6 And these past few weeks and months it's been understand
7 really tough circumstances, great upheaval in management.
8 We didn't have -- we don't have a CEO. We don't have a
9 COO. And the staff through Dan's and Tom Fellenz'
10 leadership and Mike Rossi have rallied and brought us to
11 this point. Now, I have, since the beginning, thought
12 that this project should start Los Angeles to San Diego.
13 Not just because I'm from that area but because it is the
14 busiest rail corridor in California and the second
15 busiest in the United States, sometimes the busiest. I
16 have been lukewarm frankly on the Los Angeles-Anaheim
17 portion thinking now that was pretty expensive to go a
18 short distance. And -- now hold your boos -- I was
19 opposed to spending High-Speed Rail money on CalTrain.
20 However, my overriding goal has been to build High-Speed
21 Rail in California, and so I was and I continue to be
22 willing to make the compromises in the great traditions
23 of American democracy, the compromises that it will take
24 to build High-Speed Rail. And, therefore, I am
25 supportive of this business plan that has evolved my own

1 thinking as we have more information and more opportunity
2 to hear from different points of view. I was very
3 pleased to hear about the possible changes in Los Angeles
4 to Anaheim. We've heard nothing but opposition there and
5 now we hear from the people who create the jobs, the
6 business community.

7 So I'm happy to hear that, and so we will
8 consider it. But let me just end by saying I will remain
9 constantly vigilant to find opportunities for us to
10 accelerate Phase II which is now for Sacramento, Merced,
11 and San Diego-Los Angeles or Los Angeles-San Diego and
12 for those who will try to really up-end this -- any
13 certain section of it, and -- if it's proven they don't
14 want High-Speed Rail -- there are other sections where we
15 can invest that money.

16 So, again, thank you, Chairman Richard, for your
17 extraordinary work on this. People will never know the
18 hours, the strain, the personal sacrifice that you have
19 made to bring us to this point.

20 CHAIRMAN RICHARD: Thank you. That's very
21 kind of you.

22 Mr. Hartnett, did you want to comment?

23 MR. HARTNETT: Thank you, Mr. Chairman.

24 I want to talk about the context of the decision
25 we're making as well as the preparation that brought us

1 here today. The number of us are relatively new members
2 of the Board, I having been appointed last year, and
3 we've had the advantage of the continuity of service of
4 very important experienced members, and we have the
5 advantage of the enthusiasm of new members in
6 combination. And I think the Board and the state and the
7 legislature, which is an important part of our
8 constituency has been well-served by that combination of
9 experience and new Board members with conditional
10 enthusiasm. And I think the plan today reflects both
11 that experience and that new enthusiasm in a very
12 synergistic way. We wouldn't be here without the
13 persistence and efforts of the long-serving Board members
14 and the people who came before us. We wouldn't be here
15 today without the new Board members as well who have put
16 a tremendous amount of time and effort into the
17 conceptual ideas on which the details are based.

18 We benefit greatly, obviously, by the support of
19 a very interested and very demanding governor who
20 believes strongly in High-Speed Rail but believes in
21 doing it right and being accountable for our decisions.
22 As the November draft was released, there was tremendous
23 work put into that by Board members and staff and
24 consultants, and we've all continued to listen and to
25 work since then, to see how we could make that November

1 draft once it became final an even better plan. And, so,
2 because we sit here today, this revised plan reflects the
3 collective efforts of people across the state of
4 California and in the legislature, in the legislative
5 peer review groups and staff and consultants and the
6 public who have been so important in making
7 contributions, both at our Board meetings that we
8 regularly have passionate views expressed at our Board
9 meetings, at public meetings, at state and Senate and
10 assembly hearings.

11 And so we've -- we've heard about all that anyone
12 could expect to hear on a plan, pro and con, and I'm
13 tremendously appreciative of that. But I think that the
14 context also that we make the decision in is one in which
15 we were to look out today to our transit friends and
16 neighbors in the state of New York and say why don't you
17 all come and visit us now? That 20 million of you just
18 come on over -- and, actually, instead of just visiting
19 us, why don't you come and live with us? And so what are
20 we going to do to accommodate those 20 million people
21 which we know are coming in the next several decades.

22 We know we have to improve our transportation
23 infrastructure in order to serve not just our existing
24 needs but the new ones, and I think that's what this
25 High-Speed Rail plan is designed to do in a responsible

1 and solid way. And it's what the young speakers
2 recognize. They've been so important to the discussion,
3 as Vice-Chair Schenk has mentioned. I've been so inspired
4 by the teen speakers and young speakers and young
5 professional businesses people who have pleaded with me
6 get this done, we believe in this; this is for our
7 generation, and it is for the -- my children's
8 generations. This is a tough long process that we have
9 to go through. But if you don't start you'll never get
10 to the end. And I think this plan provides the
11 legislature a sound policy and database to make the
12 decision. After all, it is the legislature's decision to
13 fund this or not. And I think what we have done in
14 production of this document and the rigor that has gone
15 into it is to provide the Legislature with a path going
16 forward that provides a solid basis for them to make a
17 decision, and it -- obviously I would like them to make
18 the decision that is yes, let's do it. And whatever
19 their decision will be, I will fully respect it, but
20 I'm -- I'm very confident that what we're providing to
21 them is a document that they can rely on to make that
22 decision, and -- that makes me very proud to be able to
23 produce it in more product than is good for that
24 purpose.

25 Thank you, Mr. Chairman.

1 CHAIRMAN RICHARD: Thank you very much,
2 Mr. Hartnett. It's usually the Chair's prerogative to
3 speak last, but I'm going to exercise a different
4 prerogative because I want to give that honor to
5 Mr. Rossi, who has spent many many many hours,
6 particularly on the heart of the business plan which is
7 the question of its economics and ridership and so forth.
8 I think he has earned that privilege.

9 I would like to say two, three quick things at
10 this point. They will be quick because I was going to
11 talk about the impact of the young people who came today,
12 And, by the way, I had no idea they were coming, I had
13 never met them before except for Mr. Heller. We didn't
14 organize it, and I think what you're seeing is very
15 promising -- if you are worried about California's
16 future, all you have to do is listen to these kids
17 because they are terrific.

18 And, let me point out, that they were preceded in
19 an earlier generation by a young woman who I believe was
20 only 32, and probably, to this day, was still the
21 youngest person ever to serve as cabinet secretary for
22 Business, Transportation & Housing, and that's Lynn
23 Schenk.

24 And, so, if you wonder why it that back in that
25 time period she had the vision to imagine a High-Speed

1 Rail connection, all you have to do is telescope that
2 into the voices you heard today. And that's what she
3 brought to government during her time of service and has
4 never wavered from her support for that.

5 I was going to talk about the hard work of my
6 colleagues, but Tom Richards did that. I was going to
7 talk about the importance of public input and how it has
8 really shaped what we've done here, whether it's
9 legislators in the Peninsula or legislatures in
10 California in the last week and the business leaders here
11 in San Francisco, Silicon Valley, Anaheim, Orange County,
12 but, in fact, my friend Jim Hartnett did that. I was
13 going to talk about people's impatience and need to get
14 to work, but nobody can say that more forcefully and
15 clearly than Bob Balgenorth.

16 So I do want to just say two things. First of
17 all, one is a technical matter. This business plan is
18 not the environmental review process document. It's a
19 road map for our legislature. In Environmental review,
20 the discussion of how this project would impact
21 communities and individuals is a separate process that is
22 going forward on its own and must be respected both in
23 terms of the federal and the state requirements, and I
24 want to say to the citizens who are most concerned today,
25 the -- the good folks that I've met from Kings County,

1 and -- and the very concerned and good people from the
2 Peninsula, we know we have a lot of work to do. We
3 believe that this is the right thing to be doing for the
4 state. That doesn't mean that we just do it blindly at
5 your expense. And so there will continue to be hard work
6 in each of these communities to try to find ways to
7 mitigate to the greatest extent possible the impacts of
8 the High-Speed Rail project may have. Those impacts be
9 mitigated and must be compensated fully. And I know my
10 colleague, Tom Richards, has been very very forceful on
11 that point.

12 I want to make one last point before turning to
13 Mr. Rossi. And that is we've been through this before,
14 I've recently started in talks I've given about
15 High-Speed Rail around the state, I'm talking about BART,
16 an organization I spent 12 years with and was very proud
17 to have worked with, very proud to have helped build the
18 San Francisco Airport station and help billed the system.
19 Many people came here today probably on BART, boarded
20 through the Civic Center BART station. We need to
21 understand within the '60s we came within one vote of one
22 supervisor in three counties of not having BART. We
23 almost didn't have it because there was controversy about
24 its costs, controversies about its impacts, controversies
25 about its technical doability, and all of those things

1 were part of the public dialogue.

2 As Governor Brown said in his State to State, the
3 Mayor of Berkeley called BART a billion dollar
4 boondoggle, a mistake. And, yet, today, thanks to one
5 vote of one courageous supervisor in Contra Costa whose
6 name has been long forgotten by most, Joe Silva, who was
7 the swing vote, we now have a system today that can't be
8 replaced today for probably 50 million dollars. It has
9 totally transformed the Bay Area, has made it a more
10 vibrant community, economically stronger, a better place
11 to live and work.

12 So what we're going through with High-Speed Rail
13 is not new, it attends to every single major decision of
14 this kind. And I think that my colleagues and I share
15 the view that this project will have a similar impact and
16 people will look back, I hope, and say thank god they did
17 it. Because I would hate to have people look back and
18 say I wish they had done it.

19 My colleague, Mike Rossi, is a banker and has
20 spent his whole life in Finance. And I can tell you that
21 we would not be sitting at this point today if Mr. Rossi
22 did not believe that the numbers would work in terms of
23 providing value to people of California. So, in
24 recognition of the many long hours he spent, attested to
25 by the phone logs of our staff that at 12:30 a.m., when

1 they received calls from him, thank you, guys, very much,
2 Mr. Rossi. It's been a great honor to work with you on
3 this, and I want to Thank you for your work.

4 MR. ROSSI: Thank you, Mr. Chairman. I feel
5 the same way about work with you and everyone on this
6 Board.

7 I'm not so sure it's an honor to follow such a
8 loquacious group of people; however, I would just like to
9 make this one observation. California is the most
10 innovative and diverse economy in the world. It is the
11 birth place of a number of iconic American companies.
12 The Walt Disney company and Google, Walt Disney company
13 being very long-standing company, global in nature, and
14 Google. A newer company, but also global in nature and
15 representing that innovation that we talk about all the
16 time in Silicon Valley. Both of those companies are
17 supportive of High-Speed Rail, and it's my belief another
18 soon to be another iconic organization.

19 So, with that, I would like to move that we adopt
20 this business plan, including the amended language on
21 Anaheim. And I'm looking for a second.

22 VICE-CHAIR SCHENK: Second. We all second.
23 CHAIRMAN RICHARD: I would suggest that
24 every member of the Board second.

25 ALL PRESENT: Second.

1 CHAIRMAN RICHARD: It's been approved by
2 Mr. Rossi, seconded by all the other members of the
3 Board.

4 Ms. Moore, please call the roll.

5 MS. MOORE: Vice-Chair Schenk.

6 VICE-CHAIR SCHENK: Yes.

7 MS. MOORE: Vice-Chair Richards.

8 VICE-CHAIR RICHARDS: Yes.

9 MS. MOORE: Mr. Hartnett.

10 MR. HARTNETT: Yes.

11 MS. MOORE: Mr. Balgenorth.

12 MR. BALGENORTH: Yes.

13 MS. MOORE: Mr. Rossi.

14 MR. ROSSI: Yes.

15 MS. MOORE: Chairman Richard.

16 CHAIRMAN RICHARD: Yes.

17 Thank you all very much.

18 [Applause]

19 CHAIRMAN RICHARD: Very quickly before we
20 take a lunch break there are two other matters that
21 really are part and parcel of the action we just took on
22 the business plan, and that's the Memorandum of
23 Understanding with Southern California transit agencies
24 and also with the Metropolitan Transportation Commission,
25 Mr. Albright.

1 Mr. Albright is here to present that.

2 Good afternoon.

3 MR. ALBRIGHT: Good afternoon. I appreciate
4 and thank Chairman Richard and the Board of Directors.

5 I'm Greg Albright, Interim Director of Planning.
6 And, because I'm between lunch and all of you, I'd like
7 to divert your attention because what we have now is to
8 put into implementation what you just proved. The
9 previous governor I wouldn't name who once told me
10 action, action, action. Here's your chance. You're
11 going to have three M.O.U.s that are -- two M.O.U.s that
12 are presented that start to implement the blended system.

13 The first one I'd like to look at would be the
14 item number 3 what we refer to as the Southern California
15 Resolution No. 12-10. Okay. Essentially this is a hard
16 developed effort that was unprecedented level of
17 collaboration in Southern California to pull together
18 what it would constitute a blended system in operations
19 and early investments and the bookends that was
20 referenced earlier. So, I -- if I may, we saw this
21 last -- at the last Board meeting when we received this
22 M.O.U. and now we'd like to move forward with its
23 approval.

24 The key components of this early investment is
25 that we are looking at investing this Prop 1A

1 connectivity plans and then pursue billion dollar
2 investment of Prop 1A and other funds -- and other
3 sources -- for the urban investment. These Projects are
4 actually under development right now and are scheduled to
5 be delivered and completed by June. So through the
6 function of specific projects will come in different
7 context, but the M.O.U. clearly ratifies our working
8 relationship.

9 So, just to keep it short and sweet, the
10 resolution recommendation of the staff would be to adopt
11 the proposed resolution approving the Southern California
12 M.O.U. Authorize your chief executive officer or designee
13 to sign the view and direct staff to continue to work
14 with all the relevant agencies in order to implement the
15 agreement in the matter that reflects the timeliness laid
16 out in the now adopted revised 2012 business plan.

17 What I'd like to suggest if you have any
18 questions on specifics of how this came together, that we
19 have representatives from Southern California here to
20 answer any questions. And, with that, I. --

21 MR. ROSSI: So moved.

22 VICE-CHAIR SCHENK: Seconded.

23 CHAIRMAN RICHARD: It's been moved,
24 seconded.

25 Any questions or comments very quickly? Okay.

1 Secretary, please call the role.

2 MS. MOORE: Vice-Chair Schenk.

3 VICE-CHAIR SCHENK: Yes.

4 MS. MOORE: Vice-Chair Richards?

5 VICE-CHAIR RICHARDS: Yes.

6 MS. MOORE: Mr. Hartnett.

7 MR. HARTNETT: Yes.

8 MS. MOORE: Mr. Balgenorth.

9 MR. BALGENORTH: Yes.

10 MS. MOORE: Mr. Rossi.

11 MR. ROSSI: Yes.

12 MS. MOORE: Chairman Richard.

13 CHAIRMAN RICHARD: Yes.

14 And I want to thank Jeff Morales of PB. I want
15 to thank Valerie Martinez and Don Sepulveda who is here
16 from LA Metro. And I don't know if I'm missing anyone
17 else I should recognize, but there has been a tremendous
18 amount of work on this and I think it signals a great new
19 partnership, and I want to thank everybody involved,
20 staff and consultants, for making that happen.

21 Thank you, Mr. Albright, for that.

22 MR. ALBRIGHT: Item No. 4, if you would,
23 this will be referred to as the MTC Memorandum of
24 Understanding and you've heard quite a bit of support for
25 this. This is the specific to the Peninsula.

1 Before I forget, there will be a third M.O.U.
2 that Jeff Morales mentioned earlier. That will be the
3 Northern California which is the blended service for a
4 broader part of Northern California. That will come very
5 soon. That M.O.U. is presently in a draft form. It was
6 not ready for today, but a lot of hard work is going on
7 with that too. So very similar effort and an enormous
8 amount of collaboration. The difference between the
9 Southern California M.O.U. and this MTC is that it's very
10 explicit in its actions. It is recommending proposed
11 projects for electrification of the infrastructure and
12 advanced signal systems or sometimes called positive
13 chain control. These are very practical and immediate
14 benefit projects that will move us towards a system of
15 blended services. It is also explicit in its proposal to
16 endeavor to fund essentially about half of the High-Speed
17 Rail for you to fund, essentially about half that
18 project.

19 So, if I may, the Prop 1A connectivity, 106
20 million dollars and out of Prop 1A the High-Speed Rail
21 funds, six hundred million dollars, for a total of 7.6 --
22 or 706 million dollars, essentially about half of it.
23 The rest of it has been put together by a very
24 collaborative effort by the agencies that are signatory
25 to the M.O.U.

1 Just reading this staff recommendations since we
2 don't have it on the screen. It's recommended that the
3 Board adopt Resolution 12-11 in support of the attached
4 Memorandum of Understanding between the High-Speed Rail
5 Authority and the Metropolitan Transportation Commission
6 and the seven Northern California agencies noted within
7 your Board packet. Number two, the Board authorizes the
8 executive, the chief executive officer or its designee to
9 continue to work with the San Francisco Bay area
10 transportation and funding agencies in support of the
11 principles outlined in M.O.U.

12 Again, if there are representatives here from
13 Peninsula, I would be pleased if you have any
14 questions.

15 CHAIRMAN RICHARD: All right. Mr. Hartnett,
16 do you have any comments you'd like to make on this since
17 this is something you've been associated with?

18 MR. HARTNETT: I do. Thank you,
19 Mr. Chairman.

20 I'd like to note a few things. First, I want to
21 thank all who have worked so hard on this, both here on
22 the Peninsula and in Southern California in terms of
23 coming together for M.O.U.s that make sense for their
24 regions and for High-Speed Rail in general. If this
25 M.O.U. is adopted, it is, as the adoption of the business

1 plan, a watershed moment for rail commuters on the
2 Peninsula. It is a watershed moment for two reasons.
3 One is because I think that High-Speed Rail is important
4 to the Peninsula as it is to the state. As has been
5 mentioned, the San Francisco Bay Area is an important
6 economic engine for our state and for our country. As
7 you have heard in support of the business plan and this
8 M.O.U., there are major employer associations in San
9 Francisco, San Mateo County and Santa Clara County that
10 stand right behind this business plan in this M.O.U. that
11 represent hundreds of thousands of employees and billions
12 and billions and billions of dollars of revenue who think
13 this is the right thing for our region and who think this
14 is the right thing for our state. And I think so as
15 well.

16 It is a watershed moment for CalTrain, as well
17 for the commuters who live and work on the Peninsula and
18 pass through because without this there would not be
19 electrification of CalTrain. There is no ifs, ands or
20 buts. Electrification has been a dream. This can bring
21 it to reality.

22 The third point I'd like to make is this, we had
23 received tremendous support for this concept both from
24 those who have suggested it and those who have evaluated
25 it and thought about it, and I am very gratified with how

1 this fits in with all of High-Speed Rail, and how the
2 Board and the governor and all have really embraced it.
3 It is -- I think is very important for all of High-Speed
4 Rail and for the Peninsula.

5 And the final note would be this, among those who
6 support it were the city of San Mateo and the mayor who
7 spoke today about global funds being available for grade
8 separations. And I would like to move the adoption of
9 the resolution in support of the M.O.U. with my personal
10 understanding in any case that grade separations,
11 applying for the grade separations is not inconsistent
12 with what we are intending to do as to the
13 electrification on our CalTrain corridor. And that we
14 can look to the future to local funds, both public --
15 which are currently available -- and private investment
16 which also is currently investment, to cobble together
17 with other funds to do some grade separation that may
18 complement the electrification of the identical to the
19 High-Speed Rail, and that's my understanding of how the
20 agreement reads.

21 So, with that, I'd move for the adoption of the
22 resolution to support the implementation and execution of
23 the M.O.U.

24 MR. ROSSI: Second.

25 MR. BALGENORTH: Second.

1 CHAIRMAN RICHARD: Thank you very much.

2 It's been moved by Board Member Hartnett; it's
3 been seconded by Board Members Balgenorth and Rossi.

4 Will the secretary please call the roll.

5 MS. MOORE: Vice-Chair Schenk.

6 VICE-CHAIR SCHENK: Yes.

7 MS. MOORE: Vice-Chair Richards.

8 VICE-CHAIR RICHARDS: Yes.

9 MS. MOORE: Mr. Hartnett.

10 MR. HARTNETT: Yes.

11 MS. MOORE: Mr. Balgenorth.

12 MR. BALGENORTH: Yes.

13 MS. MOORE: Mr. Rossi.

14 MR. ROSSI: Yes.

15 MS. MOORE: Chairman Richard.

16 CHAIRMAN RICHARD: Yes.

17 And I think thanks are in order on this. There's
18 been a tremendous amount of hard work on this, but I want
19 to recognize our friends from CalTrain, Marian Lee who
20 spoke before, David Miller, the very talented counsel who
21 is here as well. And I don't see him in the room now,
22 but Steve Heminger from MTC played a critical role in
23 this. He was here this morning. I barked at him for
24 changing the car pool Fastrak rule so he left.

25 But Randy Rentschler is here from MTC who also

1 worked with Steve on this, and I think my colleagues
2 would join me in thanking MTC and Steve and Randy for
3 really taking the lead and pulling this together. And
4 this is a terrific example as was the Southern California
5 M.O.U., and I think the new partnerships that were forged
6 in here as we're looking at High-Speed Rail as part of a
7 broader statewide rail system.

8 So thank you, everybody, for that. Thank you,
9 Mr. Hartnett for those comments.

10 [Applause]

11 CHAIRMAN RICHARD: Very quickly, we are
12 going to break for closed session. Before we do because
13 we may lose some members I want to see if we can dispense
14 with two items which I hate to say this because they are
15 money items, and I don't mean to suggest that we are not
16 taking this seriously, but I think all the Board members
17 have reviewed the material on those two, those two items
18 which are amended to existing contracts. Two of life's
19 necessary evils, lawyers and accountants. And, so, if we
20 can --

21 MR. ROSSI: So moved.

22 MR. FELLENZ: Mr. Pourvahidi is going to
23 come over and make a very brief presentation on the KPMG.

24 | CHAIRMAN RICHARD: Okay.

25 MR. FELLENZ: Unless the members have read

1 the materials and consider themselves in a position to
2 take a vote on that and a motion to be made?

3 CHAIRMAN RICHARD: Members? Let me ask if
4 members feel they need any elucidation of materials that
5 are before them in the book, and I'm assuming all have
6 read it?

7 VICE-CHAIR SCHENK: Read it, understand it.

8 CHAIRMAN RICHARD: I hope you won't take any
9 offense, sir.

10 Lunch is waiting.

11 May I have a motion on --

12 MR. ROSSI: On both.

13 VICE-CHAIR SCHENK: Second.

14 CHAIRMAN RICHARD: On those -- I'm sorry.

15 MR. FELLENZ: Why don't I do them one at a
16 time.

17 CHAIRMAN RICHARD: Okay.

18 So Item No. 5, which Mr. Rossi so moved.

19 Approval of KPMG contract, moved by Mr. Rossi,
20 seconded by Vice-Chair Schenk.

21 Please call the roll.

22 MS. MOORE: Vice-Chair Schenk.

23 VICE-CHAIR SCHENK: Yes.

24 MS. MOORE: Vice-Chair Richards.

25 VICE-CHAIR RICHARDS: Yes.

1 MS . MOORE: Mr . Hartnett .
2 MR . HARTNETT: Yes .
3 MS . MOORE: Mr . Balgenorth .
4 MR . BALGENORTH: Yes .
5 MS . MOORE: Mr . Rossi .
6 MR . ROSSI: Yes .
7 MS . MOORE: Chairman Richard .
8 CHAIRMAN RICHARD: Yes .
9 Item 6 , the Approval of Amendment to Nossaman
10 Contract .
11 MR . SCHENK: I move that .
12 MR . ROSSI: Second .
13 CHAIRMAN RICHARD: Moved by Vice-Chair
14 Schenk .
15 Please call the roll .
16 MS . MOORE: Vice-Chair Schenk .
17 VICE-CHAIR SCHENK: Yes .
18 MS . MOORE: Vice-Chair Richards .
19 VICE-CHAIR RICHARDS: Yes .
20 MS . MOORE: Mr . Hartnett .
21 MR . HARTNETT: Yes .
22 MS . MOORE: Mr . Balgenorth .
23 MR . BALGENORTH: Yes .
24 MS . MOORE: Mr . Rossi .
25 MR . ROSSI: Yes .

1 MS. MOORE: Chairman Richard.

2 CHAIRMAN RICHARD: Yes.

3 Okay. The Board is now going to enter into
4 closed session to discuss the variety of items that are
5 listed in the agenda, and we will reconvene after that.

6 [Whereupon, a Closed Session

7 of the Board occurred, 1:06 p.m.
8 to 2:57 p.m.]

9 CHAIRMAN RICHARD: We return from the closed
10 session. There is report from the closed session at this
11 time. We will now take up Item 7 on the agenda.

12 Mr. Fellenz.

13 MR. FELLENZ: Yes.

14 Mr. Chairman and Members of the Board, this item
15 is consideration of a resolution to rescind a resolution
16 which certified the 2010 Bay Area and Central Valley
17 revised final program EIR, selecting Pacheco Pass Network
18 Alternative and making related decisions. At that time
19 Agenda Item 9 which is a 2010, considered their item
20 right here will consider an item that considered Item
21 Resolution 11-11. As you're aware, there are two CEQA
22 challenges to this revised document. Both have found
23 some aspects of that document failed to comply with CEQA
24 so we took action to make adjustments to those documents.

25 Following the court's issuance of rulings, some

1 procedural steps took place, and the court did not sign
2 the final papers until February of 2012, and it wasn't
3 until February of this year that CEQA was served with the
4 final papers. So the item before you is for
5 consideration of one of two steps that's necessary to
6 comply with the court's final orders in this CEQA
7 litigation.

8 The resolution before you is for you to rescind
9 or undo the prior environmental certification and
10 approval of Pacheco Pass Network Alternative serving San
11 Francisco via San Jose and related actions under CEQA.
12 The timing of this is somewhat complex so I'm happy to
13 answer any questions that you might have.

14 CHAIRMAN RICHARD: Members?

15 MR. BALGENORTH: Yes, I've got a question.

16 I read in the paper that Menlo Park might appeal.
17 Do we have to act on this thing today or can we delay it?

18 MR. FELLENZ: No, you wouldn't have to act
19 right away. If there were an appeal, it would stay the
20 trial court's decision, and it would leave the Authority
21 with the quasi-legislative decision intact during the
22 pendency of that appeal. And so the Authority would --
23 would have to rescind the resolution that you have before
24 you today to fully comply with the final judgment that we
25 have before us, and, if it does so, it would have to

1 adopt a new decision for the Pacheco Valley EIR document.

2 So, if the other side appeals, we would still
3 have discretion to move ahead with this environmental
4 document.

5 MR. BALGENORTH: Is there any reason we
6 couldn't do it in our next meeting?

7 MR. FELLENZ: No, that won't be a problem.

8 In fact, we have that on the agenda. It's been done by
9 other public entities in the past so we could wait until
10 next week.

11 MR. BALGENORTH: I would feel more
12 comfortable waiting so I could study the issue a little
13 more.

14 MR. FELLENZ: No, that's not a problem.

15 MR. BALGENORTH: Okay.

16 CHAIRMAN RICHARD: Other questions?

17 MR. ROSSI: I would like more time to look
18 at it as well.

19 CHAIRMAN RICHARD: I want to make sure the
20 reporter heard what you said.

21 MR. ROSSI: I'd like to have more time to
22 look at it as well.

23 CHAIRMAN RICHARD: Yes, I agree as well.

24 MR. HARTNETT: I agree. I'm not fully clear
25 on the implications if there's a notice of appeal filed,

1 and I -- in terms of what that does to the action that we
2 would otherwise had been asked to take today, so I would
3 like to -- since that's new news, I'd like to see we get
4 some advice on that between now and then, next meeting,
5 or -- I don't know if we have a closed session, it could
6 be scheduled before the next meeting to discuss
7 litigation.

8 MR. FELLENZ: Yes, there is on the next
9 meeting we do have a closed session for litigation.

10 MR. HARTNETT: Okay.

11 CHAIRMAN RICHARD: Okay. So, as I
12 understand what my colleagues are saying, it's -- we had
13 this on the agenda today in compliance with the judge's
14 ruling that became effective or available to us on
15 February 13, but, rather than proceed to discuss it today
16 because we've got some new information and Mr. Balgenorth
17 and others have said that merits time to look at this, we
18 will move this over -- no action today, we'll move it
19 over to the 19th for any deliberation action.

20 MR. BALGENORTH: Thank you, Mr. Chairman.

21 CHAIRMAN RICHARD: Okay. We'll do that item
22 number I guess Item 8 would come after Item 7, so that
23 would be members' reports.

24 Board members, anybody have anything to report?

25 Nothing has been going on with High-Speed Rail in

1 the past? Okay. And then the CEO's report.

2 Mr. Fellenz.

3 MR. FELLENZ: Yes. A number of things have
4 happened since we met on March 1st. As I mentioned at
5 that meeting, we were going to go in front of the public
6 works board to ask for approval of a first instruction
7 package design billed procurement, and I'm happy to
8 report that we presented that to the public works board
9 on March 9, and they approved it, so, shortly thereafter,
10 I believe it was on the 21st of March, we submitted
11 design build procurement packages, the RP itself to the
12 five design build firms for their consideration and for
13 them to put together their proposals for the first
14 construction package which is going to Fresno through the
15 City of Fresno estimated to be about 1.5 to 2 million
16 dollars. Also, happy to report that we received what's
17 called check point C, approval from our federal partners.
18 Both -- both the federal Corps of Engineers and the USDPA
19 and the check points C is an evaluation of the
20 alternatives that we have selected for the Merced Fresno
21 Environmental document. And they looked at this
22 alternative, and they come to a conclusion and
23 representing in a letter to us that they believe it is
24 the least environmentally damaging practicable
25 alternative at this stage. They still would make that

1 decision officially in their bard process, but it's very
2 positive that at this point they have given it an
3 indication that they believe it meets the EPA criteria.

4 I also want you to know that I received a Fresno
5 Works Consortium Targeted Unemployed Workers and First
6 Source transparency update and proposal, and I'm taking a
7 look at that.

8 If you remember, last time that proposal had come
9 before us I had to reach out to federal FRA, and I'm
10 doing that this time, so that's something I'll put on
11 future agenda for the drafts.

12 We're making great progress on our Merced to
13 Fresno environmental documents, and March 2nd and 3rd we
14 will be presenting those to you.

15 Next, for the meeting on the 19th, there's going
16 to be a special board meeting April 19th to present the
17 partially revised draft. San Francisco-San Jose or Bay
18 Area to the Central Valley EIR for your consideration.
19 And, since you removed the decertification item, that
20 will be heard as well as the recertification -- board
21 certification of the revised one.

22 CalTrans has been talking to us about the
23 relocation of Highway 99, which is part of the first
24 construction package. We urge that the better solution
25 to having that relocation of that highway, we have

1 CalTrans doing that work rather than put it in a design
2 build contract. CalTrans is the expert in road building,
3 as it is their facility. They've agreed to take on that
4 work, so they would be relocating Highway 99 on our
5 behalf and we will pay them for that work. That would be
6 for right of way acquisition, design, and construction.
7 They will Manage the whole thing as a turnkey project.

8 And, finally, I have two legislative hearings
9 that are coming up that I want to call your attention to.
10 The first is on April 17th, Tuesday, the Senate
11 Transportation Committee hearing, that considers Senator
12 LaMalfa's SB 895 -- 99. See, Prop 1A appropriate
13 education, and administrations authorized the official
14 post from High-Speed Rail.

15 On the 18th there's a senate and assembly budget
16 subcommittee hearing on High-Speed Rail in the 2012
17 budget appropriation request and that concludes my
18 report.

19 CHAIRMAN RICHARD: Okay. I want to thank
20 you for doing double duty, not just with your general
21 counsel chores, but also keeping the ship running while
22 we're in this process.

23 MR. FELLENZ: You're welcome.

24 CHAIRMAN RICHARD: Thank you for that.

25 MR. FELLENZ: My pleasure.

1 CHAIRMAN RICHARD: Okay. So the next two
2 items 10 and 11, we were able to avail ourselves of the
3 lunch hour to conduct our closed session, so, with that,
4 if there's any other business before the High-Speed Rail
5 are the Authority today...

6 Members, thank you all very much for your hard
7 work, and we're adjourned.

8 [Adjournment, 3:08 p.m.]

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1 REPORTER'S CERTIFICATE
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3 I, PEPPINA HARLOW, a Certified Shorthand
4 Reporter of the State of California, in and for the
5 County of San Francisco, do hereby certify:

6 That the foregoing transcript, as reduced to
7 transcript by computer under my direction and control, is
8 a full, true and correct computer transcription of the
9 shorthand notes taken as such reporter of the proceedings
10 in the above-entitled matter.

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14 Peppina Harlow, C.S.R. No. 7433
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